ELECTRONIC
NEWS
FINANCIAL
FACT
BOOK &
DIRECTORY
1990/1991

ELECTRONIC NEWS FINANCIAL FACT BOOK & DIRECTORY 1990/1991

29th Annual Edition

Book Division
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New York

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Editor's Note: In order to present a clearer picture of a company's involvement in the Electronics field, we have, in some cases, included only those divisions and subsidiaries related to Electronics.

Robert Benjamin
Chief Research Editor

Arlene Bienenfeld
Associate Editor

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The Leaders

U.S. COMPANIES

COMPANY	1990 ELECTRONIC SALES IN LATEST AVAILABLE FOUR QUARTERS	PERCENT OF GROSS	1989 ELECTRONIC SALES IN LATEST AVAILABLE FOUR QUARTERS	PERCENT OF GROSS
1. IBM	$52,358,000,000	80.0	$50,367,000,000	80.0
2. GENERAL ELECTRIC	18,546,000,000	33.0	13,415,000,000	33.0
3. GENERAL MOTORS	16,912,000,000	13.6	16,015,200,000	12.6
4. HEWLETT-PACKARD	13,030,000,000	100.0	10,764,000,000	100.0
5. DIGITAL EQUIPMENT	12,943,000,000	100.0	12,741,956,000	100.0
6. XEROX	12,522,000,000	70.0	11,700,000,000	69.0
7. AT&T	11,195,000,000	31.0	11,139,000,000	31.0
8. UNISYS	10,063,000,000	100.0	9,922,000,000	100.0
9. MOTOROLA	10,010,000,000	100.0	8,760,000,000	100.0
10. TEXAS INSTRUMENTS	6,289,000,000	97.0	6,202,000,000	97.0
11. APPLE COMPUTER	5,588,000,000	100.0	5,069,000,000	100.0
12. NCR	5,564,000,000	92.0	5,500,000,000	92.0
13. RAYTHEON	5,426,000,000	60.2	5,301,700,000	61.0
14. ROCKWELL INTERNATIONAL	4,888,000,000	39.8	3,720,000,000	30.0
15. HONEYWELL	4,638,000,000	75.0	5,329,600,000	75.0
16. TANDY	4,400,000,000	100.0	4,100,000,000	100.0
17. WESTINGHOUSE ELECTRIC	4,229,000,000	33.0	4,214,100,000	33.0
18. LOCKHEED	4,173,000,000	43.0	4,229,480,000	43.0
19. COMPAQ COMPUTER	3,805,000,000	100.0	2,573,000,000	100.0
20. INTEL	3,517,000,000	100.0	2,990,000,000	100.0
21. TRW	3,266,000,000	43.0	2,936,000,000	42.0
22. GTE	3,107,000,000	17.3	2,578,289,000	15.4
23. HARRIS	3,100,000,000	100.0	2,254,446,000	100.0
24. MCDONNELL DOUGLAS	2,996,000,000	10.8	1,646,900,000	11.0
25. LITTON INDUSTRIES	2,979,000,000	59.0	2,905,482,000	58.0
26. MARTIN MARIETTA	2,914,000,000	48.0	2,755,200,000	48.0
27. ITT	2,743,000,000	13.6	2,700,000,000	13.6
28. WANG LABORATORIES	2,497,000,000	100.0	3,026,900,000	100.0
29. SUN MICROSYSTEMS	2,466,000,000	100.0	1,759,000,000	100.0
30. SEAGATE TECHNOLOGY	2,423,000,000	100.0	1,371,568,000	100.0
31. AMP	2,237,000,000	80.0	2,211,000,000	80.0
32. AMDAHL	2,186,000,000	100.0	1,951,342,000	100.0
33. CONTROL DATA	2,113,000,000	100.0	3,422,200,000	100.0
34. SCHLUMBERGER	1,977,000,000	41.0	2,254,000,000	47.0
35. TANDEM COMPUTERS	1,948,000,000	100.0	1,560,357,000	100.0
36. DUPONT	1,856,000,000	5.1	1,900,000,000	5.9
37. NATIONAL SEMICONDUCTOR	1,675,000,300	100.0	1,647,900,000	100.0
38. TELEDYNE	1,566,000,000	45.0	2,097,000,000	45.0
39. AVNET	1,559,000,000	89.0	1,708,400,000	89.0
40. ZENITH ELECTRONICS	1,510,000,000	100.0	2,873,200,000	100.0
41. PRIME COMPUTER	1,509,000,000	100.0	1,591,396,000	100.0
42. EATON	1,438,000,000	43.0	1,449,000,000	42.0
43. E-SYSTEMS	1,437,000,000	88.0	1,375,000,000	88.0
44. TEKTRONIX	1,408,000,000	100.0	1,432,996,000	100.0
45. VARIAN ASSOCIATES	1,383,000,000	100.0	1,287,400,000	100.0
46. LORAL	1,359,000,000	100.0	1,231,000,000	100.0
47. DATA GENERAL	1,265,000,000	100.0	1,299,000,000	100.0
48. UNITED TELECOMMUNICATIONS	1,228,000,000	17.4	1,150,000,000	17.4
49. FORD AEROSPACE	1,140,000,000	80.0	1,120,000,000	80.0
50. ADVANCED MICRO DEVICES	1,099,000,000	100.0	1,078,000,000	100.0

FOREIGN COMPANIES

1. MATSUSHITA ELECTRIC	$34,784,000,000	92.0	$31,973,000,000	92.0
2. NEC	21,799,000,000	100.0	19,511,000,000	100.0
3. PHILIPS	20,600,000,000	75.0	20,250,000,000	75.0
4. HITACHI	19,263,000,000	43.0	17,421,000,000	43.0
5. SIEMENS	17,470,000,000	50.0	15,190,000,000	50.0
6. TOSHIBA	17,087,000,000	63.0	14,434,000,000	60.5
7. COMPAGNIE GENERALE D'ELECTRICITE	16,438,000,000	61.0	14,377,000,000	60.0
8. FUJITSU	16,138,000,000	100.0	15,110,000,000	100.0
9. ALCATEL	13,900,000,000	95.0	12,065,000,000	95.0
10. GENERAL ELECTRIC CO. PLC	10,570,000,000	68.4	7,507,000,000	64.0
11. SHARP	6,734,000,000	100.0	6,323,000,000	100.0
12. BULL	6,400,000,000	100.0	5,800,000,000	100.0
13. OLIVETTI	5,881,000,000	86.0	5,562,000,000	86.0
14. ERICSSON	5,667,000,000	89.2	4,485,000,000	89.2
15. MITSUBISHI	5,651,100,000	30.0	4,643,000,000	27.0
16. NORTHERN TELECOM	5,508,000,000	90.3	4,968,000,000	92.0
17. THOMSON-CSF	5,300,000,600	100.0	5,300,000,000	100.0
18. NTT	5,146,000,000	13.5	5,590,000,000	13.5
19. STC	4,927,000,000	100.0	4,454,000,000	100.0
20. NIXDORF COMPUTER	3,118,000,000	100.0	3,004,000,000	100.0
21. RACAL ELECTRONICS	2,768,000,000	85.0	2,263,750,000	85.0
22. MEMOREX TELEX	1,983,000,000	100.0	2,066,000,000	100.0
23. OKI ELECTRIC	1,212,000,000	31.0	1,723,000,000	49.0

Stock *Market Performance*

KEY

A --Earnings per-share for the 12 months through June 30.

B —P/E ratio for the 12 months through June 30.

C —EPS as actually posted for either fiscal 1990 or calendar 1989.

D —Deficit.

N A — Not available.

COMPANY	STOCK 6/30/90	PRICES 6/30/89	STOCK EARNINGS SHARE 1990	PRICE PER (A) 1989	P/E RATIOS 1990	(B) 1989	EPS PROJ. 1990	(C) ACTUAL 1989	SALES LAST FOUR QUARTERS 1990	(BILLIONS) YEAR END 1990/89
ADVANCED MICRO DEVICES	9-1/2	9-3/4	$0.48	$d0.02	16	20	$0.60	$0.44	$1.099	$1.105
AMDAHL	16-1/4	16-2/4	1.24	2.01	11	7	1.50	1.39	2.186	2.101
AMP	47-1/8	40-3/4	2.66	2.96	17	14	2.85	2.63	2.796	2.791
APPLE COMPUTER	44-3/4	41-1/4	3.99	3.09	11	12	4.10	3.53	5.588	5.284
AT&T	38-1/2	35	2.57	d1.46	15	14	1.90	2.50	36.114	36.112
AVNET	28-3/4	23-3/8	1.90	1.34	15	16	1.90	1.51	1.751	1.751
COMPAQ	124-1/2	91-1/4	7.94	7.05	13	11	1.90	7.77	3.205	2.876
CONTROL DATA	19-1/8	21-3/4	d16/03	d0.07	15	d	1.30	d16.11	2.113	2.934
DATA GENERAL	11-1/2	17-1/8	d4.65	d2.12	d	69	NA	d4.10	1.265	1.314
DIGITAL EQUIPMENT	85	91-3/4	5.16	9.01	22	10	3.95	8.45	12.943	12.943
DU PONT	38-1/2	108-3/4	3.40	9.74	11	10	3.60	3.53	36.632	35.534
EATON	62-7/8	60-1/2	5.65	6.37	12	10	5.20	6.00	3.344	3.671
E-SYSTEMS	25-1/4	30-1/8	2.75	2.51	8	11	3.03	2.65	1.731	1.626
FORD AEROSPACE			Subsidiary						1.800	1.854
GENERAL ELECTRIC	69-1/4	51-5/8	4.48	3.89	14	12	4.85	4.36	56.000	54.600
GENERAL MOTORS EDS	34-1/2	25-1/4	1.86	1.62	17	16	2.08	1.81	5.593	5.467
GENERAL MOTORS HUGHES	21.58	28-1/8	1.89	1.89	11	14	1.95	1.94	11.319	11.359
GTE	32-3/8	26-3/8	2.12	1.85	14	11	2.25	2.08	18.103	17.424
HARRIS	34-3/8	32-1/8	0.97	1.95	11	13	3.15	0.55	3.100	3.100
HEWLETT-PACKARD	47-1/4	51-3/4	3.33	3.52	13	13	3.60	3.52	13.030	11.899
HONEYWELL	98-1/2	73-3/8	7.67	d10.12	12	11	8.25	6.84	6.185	6.059
IBM	117-1/2	111-7/8	6.67	9.31	12	11	10.25	6.47	65.447	62.710
INTEL	47	29	2.28	2.49	17	15	2.75	2.07	3.517	3.127
ITT	57-1/2	56-7/8	7.00	5.85	9	10	6.50	6.52	20.168	20.054
LITTON INDUSTRIES	71-1/2	86	7.21	6.85	10	12	7.30	7.05	5.066	5.023
LOCKHEED	33-1/2	47-7/8	0.08	9.57	7	9	5.15	0.03	9.704	9.891
LORAL	28-1/4	31-7/8	3.11	3.50	9	9	3.08	3.11	1.359	1.274
MARTIN MARIETTA	42-7/8	46-3/8	6.02	6.18	7	8	6.50	5.82	6.122	5.796
MCDONNELL DOUGLAS	36-1/2	73-5/8	1.34	7.55	18	15	2.00	1.04	15.939	14.581
MOTOROLA	83-5/8	52-5/8	3.86	3.50	19	14	4.50	3.83	10.010	9.620
NATIONAL SEMICONDUCTOR	7-3/8	7-1/8	d0.34	d0.32	d	d	d0.34	d0.32	1.675	1.675
NCR	64-1/8	52-1/2	5.34	5.22	11	10	5.80	5.38	6.048	5.956
PRIME	NA	19-3/8	NA	d0.01	NA	39	NA	0.50	1.509	1.518
RAYTHEON	62-3/8	72-5/8	8.18	7.50	7	9	8.70	8.01	9.004	8.796
ROCKWELL	27-3/8	22	2.49	3.19	11	9	2.55	2.87	12.437	12.518
SCHLUMBERGER	57-1/2	39-3/4	1.96	1.70	25	21	2.30	1.77	4.821	4.844
SEAGATE	14-1/8	13-1/4	1.94	d0.15	7	NA	2.10	0.01	2.413	2.413
SUN MICROSYSTEMS	34	17	0.46	1.33	29	17	1.17	0.76	2.466	2.466
TANDEM	23-7/8	16-7/8	1.22	0.97	17	15	1.40	1.17	1.948	1.632
TANDY	35-1/2	44-5/8	3.49	3.62	10	12	3.48	3.64	4.400	4.400
TEKTRONIX	15-1/2	22-1/8	d1.01	0.18	d	16	NA	0.66	1.408	1.408
TELEDYNE	23-3/4	72-5/8	4.45	5.51	9	13	2.75	4.66	3.481	3.534
TEXAS INSTRUMENTS	39-5/8	39-1/8	2.19	4.00	32	10	1.25	3.04	6.484	6.522
TRW	46-1/2	43	4.11	4.33	13	11	3.50	4.31	7.596	7.840
UNISYS	13-1/4	24-5/8	d4.24	2.15	d	10	NA	d4.71	10.063	10.097
UNITED TELECOMMUNICATIONS	39-5/8	33	1.87	2.67	16	18	2.50	1.72	7.059	7.549
VARIAN ASSOCIATES	28-1/8	24-1/4	1.30	2.67	d	9	d0.80	1.53	1.383	1.344
WANG LABORATORIES	4-1/4	7-3/4	d3.59	d0.22	d	26	NA	d2.59	2.497	2.497
WESTINGHOUSE ELECTRIC	36-3/4	31	3.21	2.85	15	10	2.45	3.16	12.816	12.844
XEROX	46-7/8	62-3/8	2.16	3.61	7	10	6.60	6.56	17.889	17.635
ZENITH ELECTRONICS	8-3/8	18-1/2	d2.97	0.04	NA	19	.05	d2.56	1.510	1.549
FOREIGN										
ERICSSON	223-1/4	86-1/8	8.89	4.41	25	20	NA	8.89	6.353	6.353
HITACHI	98-7/8	106-3/4	3.90	4.50	25	24	NA	3.90	44.797	44.797
MATSUSHITA	138-1/2	161-1/2	6.81	7.57	20	21	NA	6.81	37.753	37.753
NEC	64-1/2	66-7/8	1.31	1.00	49	NA	NA	1.31	21.799	21.799
NORTHERN TELECOM	27-5/8	17-3/4	1.57	0.67	16	14	1.75	1.47	6.100	6.100
PHILIPS	17-3/4	17-3/8	2.70	2.06	7	8	NA	2.70	27.500	27.500

Alcatel, Bull, CGE, Fujitsu, General Electric Co. plc, Memorex Telex, Mitsubishi, Nixdorf Computer, NTT, Oki, Olivetti, Racal, Sharp, Siemens, STC, Thomson-CSF, and Toshiba are either privately-held or not traded on U.S. exchanges.

SEE RELATED STORY ON PAGE 7A.

ELECTRONIC NEWS FINANCIAL FACT BOOK & DIRECTORY

1990/1991

AAR Corp.

1111 Nicholas Boulevard
Elk Grove Village, Illinois 60007
(312) 439-3939
FAX: (312) 439-3955

Officers: Ira. A. Eichner, chairman of the board & chief executive officer; David P. Storch, president & chief operating officer; Richard D. Tabery, vice chairman; Sam G. Ayoub, v.p.-technical services marketing; Ben C. Brostoff, v.p. & secretary; Robert A. Cameron, v.p.-operations and finance & treasurer; Jan van den Berg, v.p.-European operations; Joseph J. Dzurinko, v.p. & controller; A. Lee Hall, group v.p.-aviation services group; Larry G. Caspersen, group v.p.-manufacturing group; Ann T. Baldwin, v.p.-corporate communications; Douglas S. Hara, v.p..

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* Member of the Executive Committee

Areas of Work: Engaged in the overhaul and certification of communications and navigation equipment (avionics), engines, engine parts, and airframe parts; design, manufacture and marketing of proprietary instrumentation; associated distribution of parts and accessories for general aviation, and flight instruction; and line and shop maintenance of engines, propellers, airframes, avionics and accessories. Also, lease financing of aircraft, aircraft engines, and other aviation products.

Subsidiaries:

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Energy Services Division
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Allen Aircraft International, Inc.
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44-1-759-4022

AAR Allen-Airmotive, Inc.
705 Kruisweg
Hoofddorp, The Netherlands
31-2503-17341

Avia Radio A/S
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Copenhagen Airport
2791 Dragoer, Denmark
4531-530800

Mars Aircraft Service Company of New Jersey
Hangar 3
Teterboro Airport
Teterboro, New Jersey 07508
(201) 288-0222

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31-2503-34544

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41-42-221163

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

First Chicago Trust of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AIR

Number of Employees:

1989	2,540	1986	1,780
1988	1,990	1985	1,500
1987	1,810		

Sales & Earnings

	Net Sales	Net Income
1989	$ 406,360,000	$ 24,814,000
1988	349,662,000	21,233,000
1987	305,872,000	15,361,000
1986	254,573,000	11,506,000
1985	220,033,000	9,071,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	15,942,000	$ 1.56
1988	15,833,000	1.34
1987	15,327,000	1.00
1986	13,613,000	0.85
1985	13,557,000	0.67

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.42	—	—
1988	0.35	—	
1987	0.31	—	—
1986	0.27	—	—
1985	0.21	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 171,580,000	$ 10.76
1988	150,497,000	9.51
1987	134,310,000	8.76
1986	95,381,000	7.01
1985	87,385,000	6.45

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account*

Year ended	1989	1988
Net sales	$ 406,360,000	$ 349,662,000
Cost of sales	309,492,000	267,909,000
Expenses	52,253,000	45,238,000
Other income	—	(955,000)
Oper. income	$ 44,615,000	$ 37,470,000
Interest expense	7,601,000	5,337,000
Income before taxes	$ 37,014,000	$ 32,133,000
Income taxes	12,200,000	10,900,000
Net Income	$ 24,814,000	$ 21,233,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,767,000 in 1989 and $5,726,000 in 1988.

Assets

As of May 31	1989	1988
Cash & cash equiv.	$ 4,565,000	$ 6,867,000
Accts. receiv., net	95,218,000	67,097,000
*Inventories	110,677,000	104,475,000
Equip. on short-term lease	29,636,000	24,332,000
Prepaid expenses	16,952,000	12,302,000
Current Assets	$ 257,048,000	$ 215,073,000
#Fixed assets	50,770,000	46,938,000
Other assets	48,573,000	44,146,000
Total Assets	$ 356,391,000	$ 306,157,000

Liabilities

Comm. paper & bank loans	$ 70,271,000	$ 48,868,000
Accts. payable	36,051,000	32,883,000
Accruals	18,828,000	18,275,000
Income taxes	2,954,000	2,853,000
Curr. Liabilities	$ 128,104,000	$ 102,879,000
Long-term debt	25,707,000	31,781,000
Deferred inc. taxes	31,000,000	21,000,000
+Common stock	16,009,000	15,870,000
Add. paid-in capital	78,935,000	76,178,000
Retained earnings	77,321,000	59,209,000
Cum. trans. adj.	(685,000)	(760,000)
Total Liabilities & Shareholders' Equity	$ 356,391,000	$ 306,157,000

* At lower of cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	9.11	9.19
%Net Income to Sales	6.11	6.07
%Net Income to Equity	14.46	14.11
Sales to Inventories	3.67	3.35
Debt to Equity	0.15	0.21
Working Capital	$ 128,944,000	$ 112,194,000
Current Ratio	2.01	2.09
Shareholders' Equity	$ 171,580,000	$ 150,497,000

Acme-Cleveland Corporation

30195 Chagrin Boulevard
Cleveland, Ohio 44124
(216) 292-2100
FAX: (216) 292-2101

Officers: David L. Swift, president & chief executive officer; Francis R. Appeldorn, v.p.-finance; Donna M. Flammang, secretary; Earl J. Bellisario, v.p. & controller; Joseph C. McCarty, deputy treasurer.

Directors: Theodore M. Alfred, W. Paul Cooper, Stephen M. DuBrul, Jr., John J. Dwyer, Gerald C. McDonough, Donald R. Melville, David L. Swift, Robert M. Taylor, Karl E. Ware.

Areas of Work: The Company's principal products are machine tools, cutting and threading tools, telecommunications products, electrical and electronic controls and sensors, quality-control equipment and systems, and related replacement parts and services.

Divisions and Subsidiaries:

National Acme Division
Cleveland & Fremont, Ohio
Turnings machines and systems, replacement parts, supplies and service for standard machine tools.

Namco Controls Division
Limit switches, solenoids, electronic proximity switches and sensors, flow controls, infrared sensors, and electronic programmable switches and encoders for industrial machinery and process control applications.
Mentor, Ohio
Newton, North Carolina
New Milford, Connecticut
Herzhorn, West Germany

Communications Technology Corporation
Telecommunications equipment, including electronic equipment such as test sets for testing spliced cable pairs; special services control units; voltage detection equipment and cable restoration equipment.
Los Angeles, California
Atlanta, Georgia
Rexdale (Toronto), Ontario, Canada

The Cleveland Twist Drill Company
Metal cutting, metal removing, and threading tools, such as high-speed drills, reamers, end mills, taps, and rolling heads.
Cleveland, Ohio
Asheboro, North Carolina
Cranston, Rhode Island
Cynthiana, Kentucky
Mansfield, Massachusetts

Acme Communications Technology Systems Corporation
Dallas & Denison, Texas
Computerized telephone cable plant testing products and services.

M & M Precision Systems Division
Computerized quality control and measurement systems, master gears, spline gauges and thread gauges used in the production of precision gears, rotary tables and slides for numerically controlled machines.
West Carrollton & Cincinnati, Ohio
Tamworth, England
Loffingen, West Germany

Transfer Agents(s):

AmeriTrust Company, N.A.
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: AMT

Number of Employees:

1989	2,583	1986	2,426
1988	2,513	1985	3,138
1987	2,415		

Plant Footage:

1989	2,169,693 sq. ft.	1987	2,262,900
1988	2,180,493	1986	2,231,500

Sales & Earnings

	Net Sales #	Net Income †
1989	$ 191,034,000	$ 7,004,433
1988	176,089,623	(29,491,177)
1987	176,527,586	11,317,293
1986	186,050,158	(12,530,392)
1985	213,608,852	(11,492,858)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	6,282,532	$ —
1988	6,279,767	—
1987	6,278,923	1.74
1986	6,278,897	—
1985	6,186,305	—

(Loss)
# Of continuing operations only.
† Including extraordinary gains of $1,850,000 ($0.29 per share) in 1989 and $6,543,000 ($1.03 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988
Metalworking products	$ 128,638,000	$ 119,123,000
Telecommunications & elec. products	62,737,000	57,235,000
Eliminations	(341,000)	(268,000)
Total	$ 191,034,000	$ 176,090,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.40	—	—
1988	0.40	—	
1987	0.40	—	—
1986	0.40	—	—
1985	0.40	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1989	$ 64,849,834	$ 10.40
1988	60,731,001	9.76
1987	94,944,417	15.21
1986	85,374,166	13.69
1985	99,639,014	15.96

† After allowing for preferred stock at redemption value.

Income Account

Year ended Sept. 30	1989	1988
Net sales	$ 191,033,624	$ 176,089,623
Other income	2,914,839	1,861,943
Interest income	1,758,290	1,667,906
Total income	$ 195,706,753	$ 179,619,472
Cost of sales	131,775,199	124,764,523
Expenses	46,165,997	44,387,018
Depreciation & amortization	7,084,271	10,715,775
Interest expense	889,403	1,172,357
Other expenses	917,450	1,695,976
Prov. for asset write-downs	—	24,650,000
Income (loss) before taxes	$ 8,874,433	$ (27,766,177)
Income taxes	3,720,000	1,725,000
Inc. (loss)-cont. oper.	$ 5,154,433	$ (29,491,177)
Loss-discont. oper.	—	(2,400,000)
Net Income (Loss)	$ 5,154,433	$ (31,891,177)
Extraord. gain	1,850,000	—
Net Income (Loss) & extraord. gain	$ 7,004,433	$ (31,891,177)

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 12,201,297	$ 11,445,609
Marketable secur.	386,439	—
Accts. receiv., net	24,399,614	25,764,447
Recov. income taxes	68,008	327,482
*Inventories	38,398,703	32,965,430
Prepaid expenses	2,647,727	2,845,849
Assets of discont. oper.	—	12,440
Current Assets	$ 78,101,788	$ 73,361,257
#Fixed assets	45,715,146	46,067,408
Goodwill in subsid.	2,850,540	3,159,816
Invest. in affil.	6,890,475	2,340,859
Other assets	2,634,662	3,127,875
Assets held for sale	—	881,376
Total Assets	$ 136,192,611	$ 128,938,591

Liabilities

Notes payable	$1,577	$386,799
Payable to banks	1,480,912	3,313,309
Long-term oblig., curr.	2,719,327	2,664,987
Accts. payable	11,355,911	9,039,041
Accrued payroll	13,404,049	12,491,232
Other accruals	11,417,878	10,016,834
Other accrued taxes	2,139,345	1,664,161
Income taxes	2,209,243	1,897,578
Liab. of discont. oper.	1,968,485	2,260,153
Curr. Liabilities	$ 46,696,727	$ 43,734,094

Long-term oblig	9,110,268	8,275,214
Deferred inc. taxes	378,073	402,373
Unfunded pension costs	10,961,985	11,600,185
+Preferred stock	3,630,915	3,630,915
++Common stock	6,291,017	6,279,767
Add. paid-in capital	53,650,713	53,553,682
For. curr. trans. adjust.	(59,823)	130,553
Retained earnings	5,532,736	1,331,808
Total Liabilities Shareholders' Equity	$ 136,192,611	$ 128,938,591

* At cost (primarily LIFO), not in excess of replacement market.
# Less accumulated depreciation and amortization.
+ No par value; $1.80 cumulative convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.65	—
%Net Income to Sales	2.70	—
%Net Income to Equity	7.47	--
Sales to Inventories	4.98	5.34
Debt to Equity	0.19	0.23
Working Capital	$ 31,405,061	$ 29,627,163
Current Ratio	1.67	1.68
Shareholders Equity	$ 69,045,558	$ 64,926,725

Acme Electric Corporation

20 Water Street
Cuba, New York 14727
(716) 968-2400
FAX: (716) 968-3948

Officers: James W. McLaughlin, chairman; G. Wayne Hawk, president & chief executive officer; J. Thomas Odell, v.p.-administration; Richard D. Goodwin, v.p. & gen. mgr.-Transformer Division; William A. Boyd, v.p.-Aerospace Products; Daniel K. Corwin, v.p.-operations; R. Hartley Bond, v.p.-sales & marketing; David G. Anderson, secretary, treasurer, controller & general counsel; Lowell K. Brown, president-Acme URDC, Inc.; Robert W. McGinnis, manager-advanced energy systems.

Directors: Kirk E. Hampton*, R. Hartley Bond, W. Bennett Conner, G. Wayne Hawk*, James W. McLaughlin*, Henry H. Coords, H. Craig Casey, Jr., Mitchel J. Valicenti, Robert T. Brady.

* Member of the Executive Committee

Areas of Work: Designs, manufactures and markets power conversion equipment for electronic and electrical systems. Principal markets encompass the computer, test equipment, information systems and telecommunications and a variety of industrial commercial and residential applications requiring conversion of electrical energy from one usable state to another.

Divisions and Subsidiaries:

Electronics Division
Manufactures transformers, linear and switch-mode power supplies and standby power supplies and power conditioners.

Transformer Division
Manufactures dry-type distribution transformers.

ACME URDC Inc.
West Jordan, Utah
Manufactures custom and standard electronic power systems for the aerospace industry.

SAFE Power Systems, Inc.
Tempe, Arizona
Manufactures power protection systems for the computer, office and telecommunications industries.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: ACE

Number of Employees:
1989 .... 1,055 1988 1,000

Plant Footage:
1989 .... 523,243 sq. ft. 1988 517,843

Sales & Earnings

	Net Sales	Net Income
1989	$ 90,962,000	$ 3,925,000
1988	82,333,000	759,000
1987	67,471,000	663,000
1986	69,578,000	1,883,000
1985	75,849,000	2,651,000

	No. of Com. Shares #	Earn. per Share #
1989	4,600,483	$ 0.85
1988	4,524,296	0.17
1987	4,465,398	0.15
1986	4,430,707	0.43
1985	4,396,269	0.60

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.32	—	—
1988	0.32	5%	
1987	0.30	5%	—
1986	0.29	5%	—
1985	0.28	5%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 25,150,000	$ 5.43
1988	22,119,000	4.87
1987	22,297,000	4.99
1986	22,680,000	5.12
1985	21,808,000	4.96

# Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 90,962,000	$ 82,333,000
Cost of sales	61,365,000	58,066,000
Expenses:		
Res. & engr.	5,929,000	5,619,000
Sell & admin.	16,660,000	16,272,000
Interest expense	1,542,000	1,071,000
Income before taxes	$ 5,466,000	$ 1,305,000
Income taxes	1,954,000	546,000
Cum. effect of acct change	(443,000)	—
Net Income	$ 3,925,000	$ 759,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,163,000 in 1989 and $2,006,000 in 1988.

Assets

As of June	1989	1988
Cash & shrt.-trm. invest.	$ 286,000	$ 401,000
Accts. receiv., net	16,088,000	13,520,000
* Inventories	20,371,000	16,365,000
Prepaid inc. taxes	—	1,086,000
Other curr. assets	825,000	877,000
Current Assets	$ 37,570,000	$ 32,249,000
Intangibles	2,225,000	1,566,000
# Fixed assets	12,808,000	12,619,000
Total Assets	$ 52,603,000	$ 46,434,000

Liabilities

Long-term debt, curr.	$ 1,779,000	$ 1,876,000
Accts. payable	5,393,000	4,939,000
Commisssions payable	480,000	498,000
Accrued comp. & other	2,376,000	1,142,000
Curr. Liabilities	$ 10,028,000	$ 8,455,000
Lont-term debt	16,368,000	14,430,000
Deferred inc. taxes	1,057,000	1,430,000
+ Common stock	4,648,000	4,557,000
Add. paid-in capital	17,049,000	16,568,000
Retained earnings	3,584,000	1,125,000
Treasury stock	(131,000)	(131,000)
Total Liabilities & Shareholders' Equity	$ 52,603,000	$ 46,434,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.01	1.59
%Net Income to Sales	4.31	0.92
%Net Income to Equity	15.61	3.43
Sales to Inventories	4.47	5.03
Debt to Equity	0.72	0.74
Working Capital	$ 27,542,000	$ 23,794,000
Current Ratio	3.75	3.81
Shareholders' Equity	$ 25,150,000	$ 22,119,000

ADAC Laboratories

540 Alder Drive
Milpitas, California 95035
(408) 945-2990

Officers: Michael O. Preletz, chairman of the board & chief executive officer; Robert L. Deinhammer, president & chief operating officer; Richard M. Ferrari, exec. v.p. & gen. mgr.; I.R. Reuling, v.p., chief financial officer & secretary; Steven M. Van Dick, v.p.-finance.

Directors: Michael O. Preletz, chairman; William R. Hambrecht, Robert L. Deinhammer, Morton A. Cohen, Edmund H. Shea, Jr..

Areas of Work: The Corporation designs and manufactures digital radiography image processing systems which utilize digital images as opposed to the conventional film used in radiology. The system processor is a computer-controlled image processing system with real-time image manipulation hardware, digital data storage via magnetic disc drives, an analog video disc recorder and interface electronics for connection to X-Ray fluoroscopy systems. ADAC is also involved in the design and manufacture of nuclear medicine image processing systems which accept images from the scintillation cameras used in nuclear medicine, convert them to digital form and store them for further analysis.

Other products include radiation therapy planning systems which develop precise radiation dosemetry plans for individual cancer patients using display terminals; X-Ray products, and research and development.

Divisions and Subsidiaries:

Digital Radiography Computer Systems Division
Nuclear Medicine Division
Radiation Therapy Division
Field Service Division
International Division
X-Ray Systems Division
Radiology Management Systems Division
Advanced Marketing and Technology Division

Mid-Continent Computer Services, Inc.
Manufactures radiology information systems.

ADAC Laboratories

Transfer Agent(s):

Manufacturers Hanover Trust Co.
50 California Street
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADAC (NASDAQ)

Number of Employees:

1988	377	1985	460
1987	329	1984	750
1986	322		

Plant Footage:

1988	98,000 sq. ft.	1985	175,000
1987	98,000	1984	350,000
1986	98,000		

Sales & Earnings

	Net Sales	Net Income
1988*	$ 80,195,000	$ 11,415,000
1987	60,825,000	4,309,000
1986	46,581,000	(22,036,000)
1985	56,979,000	(29,806,000)
1984	59,259,000	(33,139,000)

	No. of Com. Shares #	Earn. per Share #
1988*	42,784,000	$ 0.27
1987	39,476,000	0.11
1986	12,469,000	—
1985	9,550,000	—
1984	9,436,000	—

(Loss)
* 53 weeks.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 19,245,000 +	$ 0.45
1987	(7,783,000) +	—
1986	(17,200,000) +	—
1985	(8,231,000) +	—
1984	21,103,000	2.24

(Deficiency)
+ After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1988 (53 weeks)	1987
Net sales	$ 80,195	$ 60,825
Cost of sales	43,310	34,563
Expenses	24,121	20,131
Interest expense	1,375	1,861
Other income	(348)	(271)
Inc. bef. taxes	$ 11,737	$ 4,541
Income taxes	322	232
Net Income	$ 11,415	$ 4,309

* Included in Costs and Expenses, Depreciation and Amortization: $1,882,000 in 1988 and $1,841,000 in 1987.

Assets
(000's)

As of Sept. 30	1988	1987
Cash	$ 4,123	$ 4,306
Accts. receiv., net	24,232	14,279
*Inventories	10,821	10,298
Prepaid expenses	382	606
Current Assets	$ 39,558	$ 29,489
#Fixed assets	4,685	5,516
Other assets	1,851	744
Total Assets	$ 46,094	$ 35,749

Liabilities
(000's)

	1988	1987
Notes payable	$ 2,834	$ 3,636
Long-term debt, curr.	677	8,192
Accts. payable	6,836	3,752
Deferred serv. rev.	3,807	2,815
Other accrued liab.	9,588	7,370
Curr. Liabilities	$ 23,742	$ 25,765
Long-term debt	457	820
Deferred rents	1,180	1,470
+Preferred stock	1,470	15,477
++Common stock	77,351	61,738
Retained earn. (deficit)	(58,106)	(69,521)
Total Liabilities & Shareholders' Equity	$ 46,094	$ 35,749

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ No par value; non-cumulative convertible.
++ No par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Revenues	14.64	7.47
%Net Income to Revenues	14.23	7.08
%Net Income to Equity	55.10	56.00
Debt to Equity	0.19	1.64
Working Capital	$ 15,816,000	$ 3,724,000
Current Ratio	1.67	1.14
Shareholders' Equity	$ 20,715,000	$ 7,694,000

Adage, Inc.

(merged with General Business Investment Corporation, Feb. 27, 1990)

615 Willowbrook Lane
Westchester, Pennsylvania
(215) 430-3900

Officers: James D. Norrod, president & chief executive officer; Dale H. Munk, chief operating officer; Daniel P. Sharkey, v.p.-finance & administration; Mark R. Wilson, v.p.-manufacturing; Bruce E. Johnson, v.p.-sales & marketing; Kenneth Boyd, v.p.-engineering; Andrew E. Taylor, clerk.

Directors: Andrew E. Fillet, Michael H. Wozny, Charles J. Coulter, James D. Norrod, Edward S. Greaves.

Areas of Work: Manufactures, develops and sells interactive computer graphics systems and subsystems, primarily for use in problem solving through interaction with computer-generated graphics displays.

Subsidiary:

CGX Corporation

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADGE (NASDAQ)

Number of Employees:

1989	N.A.	1987	424
1988	320	1986	632

N.A. - Not Available.
N.A. - Not Available.

Sales & Earnings

	Revenue +	Net Income †
1989	$ 21,038,000	$ (684,000)
1988	20,754,000	(27,907,000)
1987	27,292,000	(9,853,000)
1986	24,788,000	(5,394,000)
1985	33,840,000	1,549,000

	No. of Com. Shares	Earn. per Share †#
1989	8,615,479	$ —
1988	8,367,089	—
1987	7,456,003	—
1986	7,433,215	—
1985	4,713,814	0.33

(Loss)
† Including extraordinary gain of $1,822,000 in 1989.
# Based on the weighted average number of common shares and special class common stock outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 14,543,000	$ 1.69
1988	15,438,000	1.85
1987	40,906,000	5.49
1986	50,517,000	6.80
1985	43,846,000	9.30

Income Account *
(000's)

Year ended	4/1/89	4/2/88
Net sales	$ 21,038	$ 20,754
Cost of sales	14,954	15,738
Inventory writedown	—	9,000
Expenses	14,565	17,995
Interest expense	671	705
Interest income	(988)	(135)
Other income	(11)	(105)
Prov. for disposal of cap. equip.	—	3,792
Prov. for consol. of oper.	5,919	8,668
Loss bef. taxes	$ (14,072)	$ (34,904)
Tax credit	—	(265)
Loss - cont. oper.	$ (14,072)	$ (34,639)
Income - discont. oper.	11,566	6,732
Net Loss	$ (2,506)	$ (27,907)
Extraord. gain	1,822	—
Net Loss & extraord. gain	$ (684)	$ (27,907)

* Included in Costs and Expenses, Depreciation and Amortization: $1,795,000 in 1989 and $4,079,000 in 1988.

Assets
(000's)

As of	4/1/89	4/2/88
Cash & cash equiv.	$ 17,855	$ 3,355
Accts. receiv., net	1,951	6,777
*Inventories	1,376	6,800
Prepaid expenses	508	1,188
Net assets held for sale	2,570	—
Current Assets	$ 24,260	$ 18,120

#Fixed assets	1,167	5,573
Other assets	—	5,891
Total Assets	$ 25,427	$ 29,584

Liabilities
(000's)

Notes payable	$ —	$ 1,850
5% subord. deben.	2,842	—
Cap. lease oblig., curr.	712	1,129
Accts. payable	2,374	2,155
Accrued empl. compens.	1,233	1,260
Deferred revenue	70	735
Other current liabilities	2,289	3,465
Curr. Liabilities	$ 9,520	$ 10,594
5% subord. deben.	—	2,571
Cap. lease oblig.	267	981
Other liabilities	1,097	—
+Common stock	862	836
Add. paid-in capital	45,135	44,960
Retained earnings (def.)	(31,098)	(30,414)
Cumulative trans. adj.	(351)	108
Deferred compensation	(5)	(52)
Total Liabilities & Shareholders' Equity	$ 25,427	$ 29,584

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Debt to Equity	0.07	0.26
Working Capital	$ 14,740,000	$ 7,526,000
Current Ratio	2.55	1.71
Shareholders' Equity	$ 14,543,000	$ 15,438,000

Adams-Russell, Inc.

(The company is 97%-owned by M/A-COM, Inc., as of July 17, 1989)

1380 Main Street
Waltham, Massachusetts 02154
(617) 894-8540
FAX: (617) 893-0069

Areas of Work: Manufactures a broad range of components, subassemblies and systems primarily for five segments of the defense electronics market: electronic warfare; intelligence collection; command, control and communications; missile electronics, and radar.

Aerospace products include airborne antennas for radar, missiles, countermeasures, IFF and other special purpose applications, satellite antennas, multifunction radar and missile seeker antennas, high performance cables for electronic warfare and for test and instrumentation, avionics and submarine chassis and housings, heat exchangers and custom brazed assemblies, rotary joints, antenna feed assemblies and other wave-guide components.

Components Group products include RF and microwave components, diodes and subassemblies; and gallium arsenide monolithic microwave integrated circuit (MMIC) components and subsystems.

Surveillance products include portable receivers, UHF/VHF and microwave receivers, precision measurement and calibration equipment, signal distribution and switching equipment, signal processing computers, programmable demodulators, signals location systems, and space-borne components and subassemblies.

Video Information Systems products include automated advertising insertion equipment for the cable television industry.

Divisions and Subsidiaries:

Anzac Division
80 Cambridge Street
Burlington, Massachusetts 02154
(617) 273-3333

448 Griffin Road
Bangor, Maine 04401
(207) 942-7391

Antenna and Microwave Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-5210

Brazonics Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-2280

M/A-COM Government Products, Inc.
10713 Gilroy Road
Hunt Valley, Maryland 21030
(301) 667-0077

MDM, Inc.
9000 Fullbright Ave.
Chatsworth, California 91311
(818) 700-8400

Communications Programs Division
1370 Main St.
Waltham, Massachusetts 02154
(617) 891-4700

RHG Electronics Laboratory, Inc.
161 East Industry Center
Deer Park, New York 11719
(516) 242-1100

Adams-Russell BV
Cork, Ireland

Number of Employees:

1988	1,741	1985	1,600
1987	1,877	1984	1,439
1986	2,000		

Plant Footage:

1988	629,820 sq. ft.	1985	453,340
1987	582,340	1984	402,340
1986	505,740		

Sales & Earnings

	Net Sales	Net Income
1988	$ 138,023,000	$ 208,000
1987	130,757,000	1,275,000
1986	113,117,000	6,698,000
1985	89,677,000	8,220,000
1984	77,286,000	7,210,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,411,000	$ 0.04
1987	6,337,000	0.20
1986	6,338,000	1.06

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 78,015,000	$ 14.42
1987	90,308,000	14.25
1986	90,903,000	14.34

‡ Based on weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	10/2/88	9/27/87
Net sales	$ 138,023	$ 130,757
Cost of sales	93,881	90,049
Expenses	38,941	37,371
Non-recurring charge	1,820	—
Interest expense	3,142	1,506
Interest income	(208)	(142)
Income before taxes	$ 447	$ 1,973
Income taxes	239	698
Net Income	$ 208	$ 1,275

* Included in Costs and Expenses, Depreciation and Amortization: $9,364,000 in 1988 and $9,697,000 in 1987.

Assets
(000's)

As of	10/2/88	9/27/87
Cash	$ 3,725	$ 4,074
Accts. receiv., net	25,455	27,457
Accts. receiv. not yet billed	10,911	6,701
* Inventories	31,067	32,358
Refund. inc. taxes	881	2,325
Deferred inc. taxes	3,234	1,239
Prepaid expenses	940	1,138
Current Assets	$ 76,213	$ 75,292
# Fixed assets	49,669	47,762
Intangibles	12,370	13,787
Other assets	3,630	5,144
Total Assets	$ 141,882	$ 141,985

Liabilities
(000's)

Accts. payable	4,327	4,458
Notes payable	$ 464	$ 751
Accrued payroll	5,984	5,691
Other accruals	5,593	4,252
Curr. Liabilities	$ 16,368	$ 15,152
Long-term debt	38,825	28,657
Covenant payable	1,609	2,748
Deferred income	312	343
Deferred inc. taxes	6,753	4,777
+ Common stock	64	64
Add. paid-in capital	91,228	91,201
Co. guaran. ESOP loan	(2,984)	—
Retained earnings	1,572	2,502
Treasury stock	(11,865)	(3,459)
Total Liabilities & Shareholders' Equity	$ 141,882	$ 136,298

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.32	1.51
%Net Income to Sales	0.15	0.98
%Net Income to Equity	0.27	1.41
Sales to Inventories	4.44	4.04
Debt to Equity	0.50	0.33
Working Capital	$ 59,845,000	$ 60,140,000
Current Ratio	4.66	4.97
Shareholders' Equity	$ 78,015,000	$ 90,308,000

ADC Telecommunications, Inc.

5501 Green Valley Drive
Bloomington, Minnesota 55437
(612) 835-6800
FAX: (612) 893-8393

Officers: Charles M. Denny, Jr., chairman of the board & chief exec. officer; Lynn J. Davis, sr. v.p.-operations; William C. Hamer, v.p. & chief technical officer; Dan L. Kinney, pres.-Kentrox Industries, Inc.; Dennis A. Leese, sr. v.p.-Diversified Markets Group; William J. Cadogan, sr. v.p.-Telecom Group; Peter W. Hemp, v.p.-manufacturing; Ronald G. Martin, v.p.-corp. engineering & quality assurance; Donald H. Moersch, v.p.-human resources; LeRoy J. Morgan, v.p.-finance & chief financial officer; Jack P. Reilly, v.p. & gen. mgr.-Telecom Systems Division; George W. Wood, v.p. & gen. mgr.-Telecom Products Division; Kathie J. Mikucki, general counsel & secretary; Aimee L. Gallogly, treasurer; Joan K. Berg, v.p. & controller.

Directors: Charles M. Denny, Jr., chairman; Lennie L. Arnevik, Frank A. Donaldson, Maynard B. Hasselquist, Thomas E. Holloran, B. Kristine Johnson, Charles W. Oswald, Donald M. Sullivan, Warde F. Wheaton.

Areas of Work: Designs, manufactures and markets, under the ADC trademark, electromechanical and electronic products for the telecommunications industry. The Company's products serve a broad range of access, termination, transmission, telephone test and data network management functions employing either analog or digital technologies.

Subsidiary:

Kentrox Industries, Inc.
14375 NW Science Park Drive
Portland, Oregon

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADCT (NASDAQ)

Number of Employees:

1989	1,896	1986	1,729
1988	1,680	1985	1,729
1987	1,796		

Plant Footage:

1989	251,000 sq. ft.	1986	183,900
1988	230,000	1985	161,500
1987	230,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 196,388,000	$ 16,403,000
1988	179,852,000	16,953,000
1987	166,863,000	15,263,000
1986	143,677,000	11,968,000
1985	124,883,000	7,781,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	13,167,000	$ 1.25
1988	13,047,000	1.30
1987	12,944,000	1.18
1986	12,907,000	0.93
1985	12,890,000	0.61

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	3-for-2
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 110,470,000	$ 8.39
1988	93,645,000	7.18
1987	75,882,000	5.86
1986	60,318,000	4.67
1985	48,108,000	3.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Oct. 31	1989	1988
Net sales	$ 196,388	$ 179,852
Cost of sales	107,764	97,427
Expenses:		
Selling	34,742	29,462
Develop. & prod. eng.	17,360	17,401
Gen. & admin.	13,838	11,459
Interest income	(2,831)	(1,856)
Other expense (income)	(730)	1,028
Income before taxes	$ 26,245	$ 24,931
Income taxes	9,842	7,978
Net Income	$ 16,403	$ 16,953

* Included in Costs and Expenses, Depreciation and Amortization: $10,691,000 in 1989 and $9,112,000 in 1988.

Assets
(000's)

As of Oct. 31	1989	1988
Cash	$ 17,576	$ 39,875
Accts. receiv., net	29,918	19,338
* Inventories	24,723	19,439
Prepaid expenses	3,697	3,498
Current Assets	$ 75,914	$ 82,150
# Fixed assets	42,545	36,927
Other assets	25,372	617
Total Assets	$ 143,831	$ 119,694

Liabilities
(000's)

Long-term debt, curr.	$ 444	$ 236
Accts. payable	6,996	4,999
Accrued payroll	12,925	9,926
Accrued inc. taxes	—	848
Other accruals	3,499	2,724
Curr. Liabilities	$ 23,864	$ 18,733
Long-term debt	4,691	2,925
Deferred inc. taxes	4,806	4,391
+ Common stock	2,644	2,620
Add. paid-in capital	19,617	18,613
Retained earnings	88,815	72,412
Deferred compensation	(606)	—
Total Liabilities & Shareholders' Equity	$ 143,831	$ 119,694

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.36	13.86
%Net Income to Sales	8.35	9.43
%Net Income to Equity	14.85	18.10
Sales to Inventories	7.94	9.25
Debt to Equity	0.05	0.03
Working Capital	$ 52,050,000	$ 63,417,000
Current Ratio	3.18	4.39
Shareholders' Equity	$ 110,470,000	$ 93,645,000

Advanced Micro Devices, Inc.

901 Thompson Place
P.O. Box 3453
Sunnyvale, California 94088-3000
(408) 732-2400
FAX: (408) 982-6161

Officers: W.J. Sanders, III, chairman of the board & chief exec. officer; Anthony B. Holbrook, president & chief operating officer; Richard Previte, exec. v.p. & chief operating officer; Marvin D. Burkett, sr. v.p. & chief financial officer; Stephen Zelencik, sr. v.p. & chief marketing executive; Thomas W. Armstrong, v.p. & general counsel; W. Curtis Francis, v.p., controller & chief planning officer; Gene Connor, sr. v.p.-memory, manufacturing & technology; Stanley Winvick, v.p.-human resources.

Directors: W.J. Sanders, III, chairman; Charles M. Blalack, R. Gene Brown, R. Michael Shanahan, Jurgen Knorr, Richard H. Jenrette, Anthony B. Holbrook.

Areas of Work: Designs, develops, manufactures and markets complex monolithic intergrated circuits for use by manufacturers of a broad range of electronic equipment and systems, primarily products for computation, communication and instrumentation applications. The Company also produces and sells integrated circuits to customers that manufacture and sell computer and video products for personal use.

Subsidiaries:

Advanced Micro Devices GmbH, Germany
Advanced Micro Devices Sdn. Bhd., Malaysia
Advanced Micro Devices Export Sdn. Bhd., Malaysia
Advanced Micro, Ltd., U.S.A.
Advanced Micro Devices U.K. (Limited) England
Advanced Micro Devices SA, France
Advanced Micro Devices (Philippines) Inc., Manila
AMD Properties, Inc., U.S.A.
Advanced Micro Devices Overseas Corporation, U.S.A.
Advanced Micro Devices Belgium S.A.N.V.
Advanced Micro Devices (Canada) Limited
Advanced Micro Devices Export Corporation, Inc. U.S.A.
Advanced Micro Devices, A.B., Sweden
Advanced Micro Devices (Singapore) Pte. Ltd.
AMD (International) Limited
AMD Overseas Financial Limited
AMD Atlantic Limited
AMD (Thailand) Limited
AMD Foreign Sales Corporation
AMD Japan, Ltd.

Monolithic Memories, Inc.
2175 Mission College Boulevard
Santa Clara, California 95054-1592
(408) 970-9700

Designs, manufactures and markets large-scale integrated semiconductor circuits used in computers and computer peripheral equipment, military electronics, CAD/CAM systems, telecommunications and other digital equipment.

Transfer Agent(s):

Bank of America, NT & SA
P.O. Box 37002
San Francisco, California 94137

Bank of America, NT & SA
80 Broad Street
P.O. Box 1011, Bowling Green Station
New York, New York 10004

Stock Exchange(s): New York

Ticker Symbol: AMD

Number of Employees:

1989	13,072	1986	12,700
1988	14,817	1985	15,299
1987	18,015		

Plant Footage:

1989	3,195,000 sq. ft.	1986	2,400,000
1988	3,195,000	1985	2,140,000
1987	3,355,000		

Sales & Earnings

	Net Sales	Net Income
1989*	$ 1,104,606,000	$ 46,052,000
1988	1,125,855,000	19,316,000
1987	997,080,000	(63,987,000)
1986	828,613,000	(95,188,000)
1985	795,440,000	(9,753,000)

	No. of Com. Shares x	Earn. per Share x
1989*	82,048,000	$ 0.44
1988	80,845,000	0.11
1987	77,764,000	—
1986	75,679,000	—
1985	74,849,000	—

(Loss)
* 53 weeks.
x Based on the weighted averaged number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 518,404,000 †	$ 6.32
1988	472,343,000 †	5.84
1987	450,885,000 †	5.80
1986	510,224,000	6.74
1985	554,717,000	7.41

† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/31/89 (53 weeks)	12/25/88
Net sales	$ 1,104,606	$ 1,125,855
Cost of sales	643,427	661,884
Expenses	422,747	432,529
Consol. of oper.	—	17,260
Interest income	(11,423)	(5,134)
Income bef. taxes	$ 49,855	$ 19,316
Income taxes	3,803	—
Net Income	$ 46,052	$ 19,316

* Included in Costs and Expenses, Depreciation and Amortization: $136,385,000 in 1989 and $153,188,000 in 1988.

Assets
(000's)

As of	12/31/89	12/25/88
Cash & cash equiv.	$ 79,703	$ 168,615
Temp. cash invest.	199,083	118,164
Accts. receiv., net	183,623	167,401
* Inventories	90,491	90,487
Refund. inc. taxes	3,072	2,746
Prepaid expenses	37,711	24,924
Current Assets	$ 593,683	$ 572,337
# Fixed assets	505,867	495,497
Other assets	22,865	13,468
Total Assets	$ 1,122,415	$ 1,081,302

Liabilities
(000's)

Notes payable	$ 48,169	$ 55,965
Long-term debt, curr.	4,195	5,807
Accts. payable	67,745	63,022
Accruals	82,894	76,262
Deferred income	66,751	64,976
Income taxes	6,051	121
Curr. Liabilities	$ 275,805	$ 266,153
Long-term debt	126,431	130,412
Deferred inc. taxes	29,275	39,894
+ Preferred stock	35	35
++ Common stock	814	802
Add. paid-in capital	482,605	472,258
Retained earnings	207,450	171,748
Total Liabilities & Shareholders' Equity	$ 1,122,415	$ 1,081,302

* At standard costs adjusted to approximate the lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value; $30 convertible exchangeable.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.51	1.72
%Net Income to Sales	4.17	1.72
%Net Income to Equity	6.67	3.00
Sales to Inventories	12.21	12.44
Debt to Equity	0.26	0.30
Working Capital	$ 317,878,000	$ 306,184,000
Current Ratio	2.15	2.15
Shareholders' Equity	$ 690,904,000	$ 644,843,000

AEL Industries, Inc.

305 Richardson Road
Landsdale, Pennsylvania 19446
(215) 822-2929
FAX: (215) 822-9165

Officers: Leon Riebman, chairman & chief executive officer; Mark H. Ronald, president & chief operating officer; George King, sr. v.p. & chief financial officer; John F. Sharkey, v.p.-planning; John R. Cox, v.p., secretary & general counsel; Jesse H. Riebman, v.p., treasurer & assistant secretary; Raymond Gutowski, v.p. & controller.

Directors: Leon Riebman, chairman; Claire E. Riebman, Francis J. Dunleavy, Donald H. Miller, Jr., Lloyd W. Moffit, Conrad J. Fowler, Mark H. Ronald, Frederick R. Einsidler.

Areas of Work: Involved with electronic defense products and services, consisting primarily of the design and manufacture of electronic countermeasure systems, simulation systems, radars and receivers. The Company is also engaged in the installation and integration of avionics systems into military aircraft, and provides such products as antennas, microwave integrated circuits, and hybrid microcircuits, and such services as calibration services, product testing services and technical publication services.

Subsidiaries:

American Electronic Laboratories, Inc.
305 Richardson Road
Lansdale, Pennsylvania 19446

AEL Systems International Corp.
AEL Defense Corp.
UltraVest Corp.

Cross Systems, Inc.
Atlanta, Georgia
Engaged in the design, development and manufacture of electronic defense systems primarily for the U.S. government and its agencies.

Transfer Agent(s):

Pittsburgh National Bank
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AELNA (NASDAQ)

Number of Employees:

1990	1,484	1988	1,692
1989	1,569	1987	1,557

Plant Footage:

1990	600,000 sq. ft.	1988	586,000
1989	600,000	1987	500,000

Sales & Earnings

	Net Sales +	Net Income
1990	$ 121,159,000	$ (8,987,000)
1989	136,997,000	(1,984,000)
1988	119,637,000	2,126,000
1987	108,382,000	3,321,000
1986*	104,909,000	4,739,000

	No. of Com. Shares †	Earn. per Share #
1990	3,892,000	$ —
1989	3,910,000	—
1988	3,971,000	0.51
1987	4,377,000	0.74
1986*	4,636,000	1.01

(Loss)
* 53 weeks.
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
U.S. Government:		
Elec. defense prods. & svcs.	$ 100,605,000	$ 114,466,000
Other prods. & svcs.	121,000	95,000
Commercial:		
Elec. defense prods. & svcs.	3,682,000	4,208,000
Other prods. & svcs.	4,030,000	3,876,000
International:		
Elec. defense prods. & svcs.	12,721,000	14,352,000
Total	$ 121,159,000	$ 136,997,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 41,861,000	$ 10.76
1989	50,964,000	13.03
1988	53,418,000	13.45
1987	55,676,000	12.72
1986	55,501,000	11.97

# Adjusted to reflect stock splits.

Income Account *

Year ended	2/23/90	2/24/89
Net sales	$ 121,159,000	$ 136,997,000
Cost of sales	102,168,000	113,885,000
Expenses	15,651,000	16,765,000
Bid & proposal costs	5,711,000	6,379,000
Interest expense	4,503,000	3,755,000
Interest income	(552,000)	(491,000)
Gain on sale of fixed assets	—	(1,539,000)
Other expense (income)	689,000	(295,000)
Loss before taxes	$ (9,392,000)	$ (3,434,000)
Tax credit	(405,000)	(1,450,000)
Net Loss	$ (8,987,000)	$ (1,984,000)

* Included in Costs and Expenses, Depreciation: $5,335,000 in 1990 and $4,768,000 in 1989.

Assets

As of	2/23/90	2/24/89
Cash & cash equiv.	$ 181,000	$ 47,000
Restricted cash	10,812,000	—
Marketable securities	6,505,000	6,538,000
Receivables, net	46,875,000	54,371,000
Refund. inc. taxes	224,000	2,762,000
*Inventories	3,952,000	5,138,000
Other curr. assets	492,000	451,000
Current Assets	$ 69,041,000	$ 69,307,000
Investment in foreign co.	12,989,000	12,989,000
#Fixed assets	38,940,000	35,061,000
Other assets	8,544,000	8,379,000
Total Assets	$ 129,514,000	$ 125,736,000

Liabilities

Short-term borrowings	$ 10,575,000	$ 16,275,000
Long-term debt, curr.	2,562,000	1,600,000
Accts. payable	2,648,000	5,812,000
Accrued payroll	4,378,000	4,451,000
Advance deposits	11,079,000	—
Other accruals	5,896,000	5,157,000
Other curr. liabilities	13,296,000	7,058,000
Curr. Liabilities	$ 50,434,000	$ 40,353,000
Long-term debt	35,456,000	32,682,000
Def. inc. taxes	1,763,000	1,737,000
+Common stock:		
Class A	4,444,000	4,444,000
Class B	434,000	434,000
Add. paid-in capital	2,230,000	2,230,000
Retained earnings	44,056,000	53,043,000
Treasury stock	(9,303,000)	(9,187,000)
Total Liabilities & Shareholders' Equity	$ 129,514,000	$ 125,736,000

* At lower of cost (average and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Debt to Equity	1.16	0.99
Working Capital	$ 18,607,000	$ 28,954,000
Current Ratio	1.37	1.72
Shareholders' Equity	$ 41,861,000	$ 50,964,000

Aerosonic Corporation

1212 North Hercules Avenue
Clearwater, Florida 34625
(813) 461-3000
FAX: (813) 447-5926

Officers: Herbert J. Frank, president; C.Fred Burley, director; William Parker, v.p.-marketing; David S. Goldman, executive v.p. & treasurer; Robert Damoiseau, v.p. Ordnance division; Miriam Frank, secretary.

Directors: Herbert J. Frank, David S. Goldman, Miriam Frank, C. Fred Burley.

Areas of Work: Engaged in the research, manufacture and overhaul of aircraft instrumentation. Sells a complete line of instrumentation, with altimeters representing a major portion of total sales.

Transfer Agent(s):

Aerosonic Corporation
Clearwater, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASON (NASDAQ)

Number of Employees:

1989	185	1986	211
1988	210	1985	230
1987	213		

Plant Footage:

1989	75,500 sq. ft.	1987	75,500
1988	75,500	1986	75,500

Sales & Earnings

	Net Sales	Net Income
1989	$ 9,809,309	$ 116,465
1988	11,110,674	165,953
1987	9,192,874	106,587
1986	10,100,154	14,893
1985	10,940,976	315,512

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,836,211	$ 0.03
1988	3,836,211	0.04
1987	3,836,211	0.03
1986	3,836,211	—
1985	3,836,211	0.08

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 6,577,552	$ 1.71
1988	6,461,087	1.68
1987	6,295,134	1.64
1986	6,188,547	1.61
1985	6,173,654	1.61

Income Account *

Year ended Jan. 31	1989	1988
Net sales	$ 9,809,309	$ 11,110,674
Cost of sales	7,439,578	8,511,044
Expenses	2,391,059	2,229,335
Interest exp.	88,413	103,342
Gain on pension plan term.	(206,406)	(85,000)
Income bef. taxes	$ 96,665	$ 351,953
Income taxes (credit)	(19,800)	186,000
Net Income	$ 116,465	$ 165,953

* Included in Costs and Expenses, Depreciation and Amortization: $451,848 in 1989 and $422,700 in 1988.

Assets

As of Jan. 31	1989	1988
Cash	$ 76,316	$ 90,700
Accts. notes & other receiv.	1,311,596	1,660,273
Refundable income taxes	35,348	—
* Inventories	5,297,622	5,150,722
Prepaid expenses	20,566	34,141
Current Assets	$ 6,741,448	$ 6,935,836
Restricted cash	186,483	1,728,642
# Fixed assets	4,143,598	1,921,904
Other assets	66,750	63,230
Total Assets	$ 11,138,279	$ 10,649,612

Liabilities

Notes payable	$ 750,000	$ 400,000
Long-term debt, curr.	296,986	315,695
Cap. lease oblig., curr.	34,894	—
Accounts payable	1,075,530	867,988
Accrued payroll	213,522	191,065
Other accruals	67,442	70,078
Def. income taxes	17,700	62,300
Income taxes payable	—	91,782
Curr. Liabilities	$ 2,456,074	$ 1,998,908
Long-term debt	1,707,216	1,939,917
Cap. lease obligation	162,737	—
Def. inc. taxes	234,700	249,700
+ Common stock	1,594,505	1,594,505
Add. paid-in capital	3,174,354	3,174,354
Retained earnings	1,881,354	1,764,889
Treasury stock	(72,661)	(72,661)
Total Liabilities & Shareholders' Equity	$ 11,138,279	$ 10,649,612

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.99	3.17
%Net Income to Sales	1.19	1.49
%Net Income to Equity	1.77	2.57
Sales to Inventories	1.85	2.16
Debt to Equity	0.45	0.41
Working Capital	$ 4,285,374	$ 4,936,928
Current Ratio	2.74	3.47
Shareholders' Equity	$ 6,577,552	$ 6,461,087

AFA Protective Systems, Inc.

155 Michael Drive
Syosset, New York 11791
(516) 496-2322
FAX: (516) 496-2948

Officers: Philip Kleinman, chairman, chief executive officer & president; Robert D. Kleinman, exec. v.p., secretary & general counsel; Richard D. Kleinman, v.p. & chief operating officer; Raymond S. Greenberger, controller & assistant secretary.

Directors: Robert S. Heller, Philip Kleinman, Reginald C. Miller, Alfred G. Seddon, Harry F. Weyher, Richard D. Kleinman, Robert D. Kleinman, Leon Sicular, Asher Bernstein.

Areas of Work: Engaged in the distribution and installation of alarm devices and systems, including a time and frequency division multiplex signal transmission system. Provides central station protective services.

Subsidiaries:

AFA Mass., Inc.

The Delta Group, Inc.

Transfer Agent(s):

Mellon Securities Trust Company
1 Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	250	1986	250
1988	250	1985	246
1987	256		

Sales & Earnings

	Sales & Revenues	Net Income
1989	$ 21,624,180	$ 1,674,504
1988	20,589,895	1,788,843
1987	18,379,831	912,973
1986	15,836,087	1,061,422
1985	16,715,463	4,925,466

	No. of Com. Shares	Earn. per Share #
1989	230,224	$ 7.26
1988	230,928	7.60
1987	235,813	3.87
1986	235,813	4.00
1985	282,239	16.99

# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.20	—	—
1988	1.10	—	
1987	1.00	—	—
1986	0.94	—	—
1985	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 8,921,026	$ 38.75
1988	7,571,693	32.79
1987	6,348,769	26.92
1986	5,671,609	24.05
1985	8,515,939	30.17

Income Account

Year ended Dec. 31	1989	1988
Service	$ 17,446,877	$ 15,956,169
Sales	4,177,303	4,633,726
Total income	$ 21,624,180	$ 20,589,895
Cost of sales	2,141,285	2,434,562
Cost of service	8,144,999	7,666,880
Expenses	5,529,677	5,110,559
Depreciation	2,039,769	2,039,655
Rental of signal lines	1,201,921	1,276,472
Recov. of alarm trans. fees	—	(774,449)
Interest expense	—	3,046
Interest income	(320,975)	(183,673)
Income before taxes	$ 2,887,504	$ 3,016,843
Income taxes	1,213,000	1,228,000
Net Income	$ 1,674,504	$ 1,788,843

Assets

As of Dec. 31	1989	1988
Cash & cash equiv	$ 3,918,825	$ 3,131,976
Short-term invest.	1,128,363	—
Accts. & notes receiv., net	2,718,715	3,009,490
*Inventories	176,603	115,404
Prepaid expenses and other	187,643	94,297
Current Assets	$ 8,130,149	$ 6,351,167
Installation materials	817,722	788,810
#Fixed assets	11,462,764	12,149,817
Other assets	1,235,831	719,790
Total Assets	$ 21,646,466	$ 20,009,584

Liabilities

Accts. payable	$ 1,248,595	$ 1,471,365
Income taxes payable	37,400	250,827
Other accrued liab.	1,115,941	1,092,847
Billings in exc. of costs	37,660	75,234
Deferred inc. taxes	—	85,600
Curr. Liabilities	$ 2,439,596	$ 2,975,873
Deferred income	7,910,567	7,878,318
Deferred inc. taxes	1,751,400	1,583,700
Deferred pension liab.	623,877	—
+ Common stock	230,224	230,928
Add. paid-in capital	466,094	467,457
Retained earnings	8,224,708	6,873,308
Total Liabilities & Shareholders' Equity	$ 21,646,466	$ 20,009,584

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.35	14.65
%Net Income to Revenues	7.74	8.69
%Net Income to Equity	18.77	23.63
Working Capital	$ 5,960,553	$ 3,375,294
Current Ratio	3.33	2.13
Shareholders' Equity	$ 8,921,026	$ 7,571,693

Alcatel n.v.

(The Company is 37%-owned by ITT Corporation.)

World Trade Center
Strawinskylaan 341
NL-1077 XX Amsterdam, The Netherlands
3120-662.99.36
FAX: 3120-664.07.61

Supervisory Board: Rand V. Araskog, chairman; Rene Bourdin, Jean-Pierre Brunet, Remmert Laan, Vicomte Etienne Davignon, Jacques Dondoux, Robert A. Burnett, Alexander M. Haig, Jr., Otto Graf Lambsdorff.

Board of Management: Pierre Suard, chairman; Philippe Gluntz, Jacques Ronze, Jozef Cornu.

Areas of Work: The company is engaged in the whole range of digital telecommunications technolgies -- switching, transmission, PABX exchanges and terminals -- and communications and power cables. It also produces, sells and distributes fibre optics, space-based communications, and Integrated Services Digital Networks, cellular mobile radio, intelligent networks, network management, and business communications networks. In the area of public switching, the company is a worldwide leader in digital switching lines installed, and as a system supplier of advanced network applications. In transmission systems, the company is engaged in line transmission, microwave equipment, and space-based systems and earth stations. In business systems, the company is the largest supplier of private branch exchanges (PABX's) in Europe. In the area of cellular mobile communications, Alcatel is at the forefront of switching, transmission and terminals. The company is also the world's largest producer of telecommunication and power cables, used around the globe for land-based and submarine systems. This includes the complete range of cable-related technologies, from optical fibre manufacture and copper and aluminum metallurgy, to system design, cable-laying and maintenance. The company is also engaged in professional electronics and related business areas which include network engineering and installation, transport automation and signalling, navigational aids, postal automation, vacuum techology, automatic ticket vending machines and turnstiles, laser technolgy, telecommunications-dedicated components, and software and system houses.

Subsidiaries:

Alcatel Austria AG
Alcatel Business Systems UK
Alcatel CGA-HBS
Alcatel CIT
Alcatel FACE Spa
Alcatel Kirk AS
Alcatel Nederland BV
Alcatel Standard Electrica SA
Alcatel Standard SA
Alcatel Thomson Faisceaux
Alcatel Trade International AG
Alcatel USA Corporation
Bell Telephone Mfg. Co.
Les Cables de Lyon
Iko Kabel AB
Indetel
SMH Alcatel
Standard Elektrik Lorenz
Standard Telefon og Kabelfabrik
Standard Telefon und Radio
Standard Telephones and Cable Pty. Ltd.
Telic Alcatel
Societe nouvelle Thomson CSF Tel.

Stock Exchange(s): Amsterdam

Number of Employees

1988 127,433   1987 133,503

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1988	ECU 11,101,196	ECU 315,251
1987	11,197,527	315,251

	No. of Com. Shares	Earn. per Share
1988	41,837,224	ECU 8.63
1987	41,837,224	7.54

ECU - European currency units.

Revenues by Line of Business
(000's)

	1988	1987
Public network systems	ECU 2,656,626	ECU 2,530,807
Business systems	2,591,460	2,540,740
Transmission	1,627,564	1,579,242
Cables	2,912,369	2,319,181
Other activities	1,591,084	2,439,375
Intersegment	(277,907)	(211,818)
Total	ECU 11,101,196	ECU 11,197,527

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	ECU 2	—	—
1987	2.81	—	

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1988	ECU 1,711,128	ECU 40.90
1987	1,442,897	34.49
1986	1,439,019	—

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Revenues	ECU 11,101,196	ECU 11,197,527
Cost of sales	8,425,834	8,603,802
Expenses	1,900,941	1,959,040
Oper. profit	ECU 774,421	ECU 634,685
Interest expense	248,452	248,430
Interest income	(143,144)	(113,333)
Eq. in unconsol. subsid.	(38,603)	(29,380)
Other expense	77,312	26,266
Income before taxes	ECU 630,404	ECU 502,702
Income taxes	209,688	156,657
Minority interest	59,832	30,794
Net Income	ECU 360,884	ECU 315,251

* Included in Costs and Expenses, Depreciation and Amortization: ECU 518,790,000 in 1988 and ECU 493,836,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	ECU 582,683	ECU 642,943
Marketable securities	669,256	221,917
Accts. receiv., net	3,198,139	3,240,954
*Inventories	1,533,519	1,601,276
Other curr. assets	461,046	435,892
Current Assets	ECU 6,444,643	ECU 6,142,982
Investments	271,292	311,679
Long-term receiv.	274,104	206,771
#Fixed assets	2,208,217	2,041,465
Other assets	116,843	87,281
Intangibles	391,154	313,701
Total Assets	ECU 9,706,253	ECU 9,103,879

Liabilities
(000's)

	1988	1987
Short-term debt	ECU 1,666,578	ECU 1,542,528
Accts. payable & accruals	2,606,107	2,626,379
Progress payments	241,264	221,623
Accrued contract costs	815,874	684,192
Accrued taxes	306,481	225,799
Current Liabilities	ECU 5,636,304	ECU 5,300,521
Long-term debt	683,063	639,828
Minority interest	309,387	224,095
Reserves and def. liab.	1,286,642	1,493,833
Deferred inc. taxes	79,729	2,705
+Common stock	891,534	891,534
Add. paid-in capital	396,463	396,463
Retained earnings	460,118	215,346
Cum. trans. adjust.	(36,987)	(60,446)
Total Liabilities & Shareholders' Equity	ECU 9,706,253	ECU 9,103,879

* At lower of cost (FIFO or weighted average) or market. Copper in the cables segment at LIFO.
# Less accumulated depreciation.
+ f50 par value. (Dutch guilders)

Statistical Summary

	1988	1987
% Income bef. Taxes to Sales	5.68	4.49
% Net Income to Sales	3.25	2.82
% Net Income to Equity	21.09	21.85
Sales to Inventories	7.24	6.99
Debt to Equity	1.37	1.51
Working Capital (000's)	ECU 808,339	ECU 842,461
Current Ratio	0.14	1.16
Shareholders Equity (000's)	ECU 1,711,128	ECU 1,442,897

Alden Electronics, Inc.

Washington Street
Westborough, Massachusetts 01581
(508) 366-8851
FAX: (508) 898-2427

Officers: Joseph H. Girouard, chairman of the board & chief executive officer; Lawrence A. Farrington, president; S. Charles Sviokla, sr. v.p. & chief financial officer; Gary A. Lortie, treasurer; Dr. John A. Nuber, v.p.-engineering.

Directors: Joseph H. Girouard, Lawrence A. Farrington, Elizabeth J. Alden, William L. Alden, S. Charles Sviokla, Edward D. Cross, Robert E. Blakelock, Howard F. Nichols.

Areas of Work: Designs, assembles, sells and leases facsimile recorders, communications equipment and weather graphics display terminals. The Company supplies this equipment to industry, military and government for the display and recording of weather maps, satellite pictures and scientific data.

Divisions and Subsidiaries:

Alden International, Inc.
Alfax Paper & Engineering Company, Inc.
both at.
Washington Street
Westborough, Massachusetts 01581

Alden Electronics Washington Lab and Service Facility
618 North Washington Street
Alexandria, Virginia 22314

Alfax Paper of United Kingdom, Ltd.
Epsom, Surrey KT17 1ER England

Alfax Paper & Engineering Company, Inc.
250 St. Urban
Granby, Quebec J2G-8M8 Canada

Zephyr Weather Information Service, Inc.
Washington Street
Westborough, Massachusetts

Distributes weather data utilizing satellite communications and downlink earth stations.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADNEA (NASDAQ)

Sales & Earnings

	Net Sales †	Net Income
1989*	$ 19,227,181	$ 718,225
1988	18,895,023	442,979
1987	22,944,624	906,779
1986	18,817,490	850,820
1985	17,914,846	1,357,385

	No. of Com. Shares ‡	Earn. per Share ‡
1989*	2,165,385	$ 0.33
1988	2,164,736	0.20
1987	2,146,193	0.42
1986	2,135,077	0.40
1985	2,120,154	0.64

* 53 weeks.
† Includes other revenues.
‡ Based on the weighted average number of Class A common stock and common share equivalents outstanding.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.10	—	
1987	0.15	—	
1986	0.25	—	—
1985	0.28	—	—

+ Class A and Class B Common Stock combined.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 11,926,770	$ 5.51
1988	11,450,391	5.29

‡ Based on the weighted average number of Class A Common Stock and common share equivalents outstanding.

Income Account*

Year ended	3/31/90 (53 weeks)	3/25/89
Net sales & serv. revenues	$ 16,030,408	$ 14,845,390
Income from leased equip.	3,078,941	3,926,159
Interest income	117,832	123,474
Total income	$ 19,227,181	$ 18,895,023
Cost of sales	13,044,538	14,364,099
Expenses	4,958,424	4,104,260
Interest expense	223,994	153,685
Income before taxes	$ 1,000,225	$ 272,979
Income taxes (credit)	282,000	(170,000)
Net Income	$ 718,225	$ 442,979

* Included in Costs and Expenses, Depreciation and Amortization: $2,124,099 in 1990 and $2,308,726 in 1989.

Assets

As of	3/31/90	3/25/89
Cash	$ 2,205,298	$ 1,577,996
Short-term invest.	238,095	218,811
Accts. receiv., net	1,850,320	3,211,450
Refundable taxes	—	239,000
*Inventories	4,409,350	4,894,714
Prepaid expenses	35,581	141,973
Current Assets	$ 8,738,644	$ 10,283,944
#Fixed assets	5,788,566	6,176,496
Intangibles	243,418	313,927
Total Assets	$ 14,770,628	$ 16,774,367

Liabilities

	3/31/90	3/25/89
Notes payable	$ —	$ 2,250,000
Long-term debt, curr.	149,996	149,996
Accts. payable	480,601	509,575
Accruals	498,503	725,848
Deferred revenue	236,147	88,714
Income taxes	148,102	183,727
Dividends payable	241,846	201,540
Other current liabilities	50,821	107,738
Curr. Liabilities	$ 1,806,016	$ 4,217,138
Long-term debt	820,842	970,838
Deferred inc. taxes	217,000	136,000
+Class A common stock	1,990,385	1,990,385
++Class B common stock	75	75
Add. paid-in capital	1,547,618	1,547,618
Retained earnings	8,388,692	7,912,313
Total Liabilities & Shareholders' Equity	$ 14,770,628	$ 16,774,367

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
++ No par value.

Statistical Summary

	3/31/90	3/25/89
%Income bef. Taxes to Sales	6.24	1.84
%Net Income to Sales	4.48	2.98
%Net Income to Equity	6.02	3.87
Debt to Equity	0.08	0.29
Working Capital	$ 6,932,628	$ 6,066,806
Current Ratio	4.84	2.44
Shareholders' Equity	$ 11,926,770	$ 11,450,391

Algorex Corporation

45 Adams Avenue
Hauppauge, New York 11788
(516) 434-9400
FAX: (516) 434-9566

Officers: Sheldon O. Newman, chairman of the board, president & chief executive officer; Merwin Kliman, exec. v.p.; Donald D. Shack, secretary; Jeffrey J. Waxweiler, v.p.-business development; Marvin O. Sleven, v.p.-west coast sales.

Directors: Sheldon O. Newman, chairman; Merwin Kliman, Donald D. Shack, Thomas F. Kearns, Jr..

Areas of Work: Using computers, the company automates the design, manufacture and testing of complex systems of all kinds for companies in the electronic industry.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALGO (NASDAQ)

Number of Employees:

1989	75	1986	230
1988	100	1985	N.A.
1987	N.A.		

Plant Footage:

1989	35,000 sq.ft.	1986	150,000
1988	75,000	1985	N.A.
1987	N.A.		

N.A.-Not Available.

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 8,064,432	$ 675,099
1988	7,481,229	(1,125,218)
1987	8,514,541	(6,493,881)
1986	16,452,603	(2,711,423)
1985	14,970,674	(5,855,766)

	No. of Com. Shares #	Earn. per Share ‡ #
1989	2,788,671	$ 0.24
1988	2,783,046	—
1987	2,773,040	—
1986	2,764,981	—
1985	2,785,159	—

(Loss)
‡ Including extraordinary gain of $251,000 ($0.09 per share) in 1989.
# Based on the weighted average number of shares outstanding during each period.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 3,721,099	$ 1.33
1988	3,043,125	1.09
1987	4,168,343	1.50
1986	10,592,724	3.83
1985	13,290,485	4.77

# Based on the weighted average number of shares outstanding during each period.

Income Account *

Year ended June 30	1989	1988
Revenues	$ 8,064,432	$ 7,481,229
Cost of sales	5,564,290	4,280,672
Expenses	2,628,402	3,464,615
Int. and dividend inc.	(115,072)	(36,985)
Interest expense	112,907	371,010
Other income	(7,425)	(62,095)
Gain on sale of facility	(915,114)	—
Losses rel. to writedown of computer equip.	—	514,770
Inc. (loss) bef. taxes	$ 796,444	$ (1,050,758)
Income taxes	372,345	74,460
Net Income (Loss)	$ 424,099	$ (1,125,218)
Extraord. gain	251,000	—
Net Income (Loss) & extraord. gain	$ 675,099	$ (1,125,218)

* Included in Costs and Expenses, Depreciation and Amortization: $487,490 in 1989 and $654,958 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 1,519,689	$ 404,206
Acct. receiv., net	1,467,247	1,917,081
* Inventories	460,517	381,460
Other curr. assets	64,002	79,512
Current Assets	$ 3,511,455	$ 2,782,259
# Fixed assets	1,112,111	7,397,968
Other assets	43,582	353,978
Total Assets	$ 4,667,148	$ 10,534,205

Liabilities

Revenue bonds	$ —	$ 200,000
Accts. payable	451,247	625,289
Accrued payroll	267,389	453,465
Other accruals	79,756	425,562
Income taxes pay.	147,657	`6,764
Curr. Liabilities	$ 946,049	$ 1,791,080
Revenue bonds	—	5,700,000
+ Common stock	27,960	27,855
Add. paid-in capital	15,625,370	15,622,600
Retained earnings (deficit)	(11,915,356)	(12,590,455)
Treasury stock	(16,875)	(16,875)
Total Liabilities & Shareholders' Equity	$ 4,667,148	$ 10,534,205

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.88	—
%Net Income to Sales	5.26	—
%Net Income to Equity	11.40	—
Working Capital	$ 2,565,406	$ 991.179
Current Ratio	3.71	1.55
Shareholders' Equity	$ 3,721,099	$ 3,043,125

Allegheny International, Inc.

(Operating under Chapter 11 of the U.S. Bankruptcy Code)

Two Oliver Plaza
P.O. Box 456
Pittsburgh, Pennsylvania 15230
(412) 562-4000
FAX: (412) 562-5803

Officers: Oliver S. Travers, chairman of the board, president & chief executive officer; Samuel H. Iapalucci, v.p. & treasurer; James T. Dougherty, v.p., general counsel & secretary; K. Wayne Long, v.p.-accounting & control; Roland H. Schriver, controller.

Directors: Anthony J. A. Bryan*, Richard M. Cyert*, Spencer R. Stuart, Oliver S. Travers*, Joshua Angel, Donald F. Craib, Jr., Richard P. Farkas, Thomas H. Maddux*, William J. Scharffenberger, Melvin J. Gardner, Anthony E. Mirti, Richard H. Tierney.

* Member of the Executive Committee

Areas of Work: Manufactures and markets small appliances, personal care products, electric blankets, housewares, scales, clocks, weather measuring instruments and barbecue grills.

Divisions and Subsidiaries:

Sunbeam Appliance Company
2001 South York Road
Oak Brook, Illinois 60521
(312) 654-1900
Irons, food and beverage preparation appliances, grooming and other personal care products; ovens.

Oster Division of Sunbeam Corporation
5055 North Lydell Avenue
Milwaukee, Wisconsin
(414) 332-8300
Food and beverage preparation appliances, personal care products.

Hanson Scale Company
P.O. Box 38-Highway 45 North
Shubuta, Mississippi 39360
(601) 687-1531
Bathroom, kitchen and postal scales; healthcare products.

Springfield Instrument Company
Wood-Ridge, New Jersey
Clocks, timers, and weather measuring instruments.

Sunbeam Corporation (Canada) Ltd.
Toronto, Ontario, Canada
Small appliances and barbecue grills.

Solaray
Division of Sunbeam Corporation (Canada) Limited
268 Grand River Avenue
P.O. Box 673
Brantford, Ontario N3T 5P9, Canada
(519) 759-6400
Personal care products, electric blankets and heating pads.

Almet/Lawnlite, Inc.
P.O. Box L
Portland, Tennessee 37148
(615) 325-9283
Casual furniture.

Sunbeam Leisure Products Company
P.O. Box 622
Neosho, Missouri 64850
(417) 451-4550
Gas and charcoal barbecue grills; insects killers.

Sunbeam Mexicana
Mexico City, Mexico
Small appliances.

Oster de Venezuela
Caracas, Venezuela
Small appliances.

Sunbeam del Peru
Lima, Peru
Small appliances.

Transfer Agent(s):

American Stock Transfer & Trust Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York, London, Paris, Amsterdam

Ticker Symbol: AG

Number of Employees:

1989	10,550	1986	18,000
1988	12,200	1985	30,800
1987	12,800		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 937,600,000	$ (54,900,000)
1988	967,800,000	(25,100,000)
1987*	650,800,000	(285,400,000)
1986	999,600,000	(164,000,000)
1985	1,035,200,000	(109,100,000)

	No. of Com. Shares	Earn. per Share ‡
1989	10,858,918	$ —
1988	10,858,918	—
1987*	10,858,918	—
1986	10,831,450	—
1985	10,758,868	—

(Loss)
* 9 months.
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	1.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (335,986,000)	$ —
1988	(281,833,000)	—
1987	(263,900,000)	—
1986	(23,800,000)	--
1985	85,700,000	7.97

(Deficiency)

Income Account
(000's)

Year ended	10/1/89	10/2/88
Net sales	$ 937,589	$ 967,786
Cost of sales	747,116	734,620
Expenses	187,547	187,706
Depreciation & amortization	20,055	20,979
Other income	(4,701)	(2,382)
Interest expense	36,524	44,515
Loss before taxes	$ (48,952)	$ (17,652)
Income taxes	5,923	7,401
Net Loss	$ (54,875)	$ (25,053)

Assets
(000's)

As of	10/1/89	10/2/88
Cash	$ 11,508	$ 27,683
Short-term invest.	123,474	76,400
Notes & accts. receiv., net	232,244	217,440
*Inventories	201,160	187,295
Prepaid expenses	15,604	18,397
Net assets of discont. oper.	5,182	38,378
Current Assets	$ 589,172	$ 565,593
Long-term receiv. & other invest.	33,817	43,672
#Fixed assets	94,313	96,067
Intangibles	82,642	85,220
Other assets	9,453	2,522
Assets of discont. oper.	49,544	43,764
Total Assets	$ 858,941	$ 836,838

Liabilities
(000's)

Short-term borrowings	$ 5,578	$ 2,078
Long-term debt, curr.	498	398
Accts.payable	61,973	43,590
Accrued payroll	23,348	19,678
Other accruals	83,442	48,856
Income taxes	3,353	6,176
Curr. Liabilities	$ 178,192	$ 120,776
Long-term debt	9,455	10,563
Other liab.	41,582	32,398
Prepetition liabilities	731,785	721,008
+Redeemable pref. stock	233,913	233,926
++Common stock	8,869	8,869
Add. paid-in capital	214,115	214,103
Retained earnings (def.)	(446,902)	(392,027)
Cum. adjust. from for. curr. trans.	(22,761)	(23,471)
Treasury stock	(89,307)	(89,307)
Total Liabilities & Shareholders' Equity	$ 858,941	$ 836,838

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ No par value.
++ $0.66-2/3 par value.

Statistical Summary

Sales to Inventories	4.66	5.17
Working Capital	$ 410,980,000	$ 444,817,000
Current Ratio	3.31	4.68
Shareholders' Equity (Deficiency)	$ (335,986,000)	$ (281,833,000)

The Allen Group, Inc.

534 Broad Hollow Road
Melville, New York 11747
(516) 293-5500
FAX: (516) 293-5485

Officers: Philip Wm. Colburn, chairman, chief executive officer & president; J. Chisholm Lyons, vice chairman of the board; Robert G. Paul, pres. & chief operating officer; Stephen E. Gilhuley, v.p., secretary & general counsel; Robert A. Youdelman, sr. v.p.-finance; Ralph Daulton, president-Allen Automated Systems Company; Frank J. Hyson, v.p. & president-The Crown Divisions; Gerald W. Metzger, president-Heat Transfer Group; John C. Martin, III, treasurer; Ed Cohen, president-Allen Testproducts; James L. LePorte, III, controller.

Directors: Wade W. Allen, George A. Chandler, Philip W. Colburn, Albert H. Gordon, J. Chisholm Lyons, Charles W. Robinson, Richard S. Vokey, William M. Weaver, Jr., Jill K. Conway.

Areas of Work: Manufactures automotive electronic test equipment, electronic assemblies and computerized engine diagnostic equipment. Other products include auto parts, antennas and truck cabs.

Divisions and Subsidiaries:

Allen Testproducts
Kalamazoo, Michigan
Mississauga, Ontario, Canada
Engine diagnostic equipment for the automotive repair market.

Mangum Manufacturing Company
Dallas, Texas
Radiators and heat exchange products.

Allen Automated Systems Company
Westland, Michigan
Computerized products test and assembly machines and systems and automated test equipment.

The Antenna Specialists Co.
Cleveland, Ohio
Cellular telephone, marine, aviation, land mobile, monitor and CB antennas.

The G&O Manufacturing Company
New Haven, Connecticut
Replacement radiator cores, radiators and heat exchange products.

The Allen Group Puerto Rico Inc.
Fajardo, PR
Electronic assemblies used in other Allen products.

Allen Group Canada Limited
Toronto, Ontario, Canada
Die-cut and molded rubber products.

The Allen Group Leasing Corp.
Livonia, Michigan
Leases engine diagnostic equipment.

The Crown Divisions
Wooster, Orrville, Lorain, Lardstown, Ohio; Baltimore, Maryland; Sterling Heights, Michigan;
Mississauga, Canada
Truck cabs, bodies, utility van interiors, farm tractor cabs and hoods.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: ALN

Number of Employees:

1989	3,500	1986	5,400
1988	4,600	1985	5,300
1987	5,200		

Plant Footage:

1989 .... 2,210,000 sq. ft. 1988 2,210,000

Sales & Earnings

	Net Sales †	Net Income
1989	$ 352,689,000	$ 19,025,000
1988	336,864,000	5,675,000
1987	302,638,000	(15,477,000)
1986	306,079,000	(10,274,000)
1985	303,666,000	16,138,000

	No. of Com. Shares +	Earn. per Share ‡
1989	8,386,000	$ 1.83
1988	8,201,000	[illegible]
1987	8,199,000	—
1986	8,309,000	—
1985	9,050,000	1.77

(Loss)
† Of continuing operations only.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1989	1988
Automotive test & service	$ 196,349	$ 190,831
Truck prods.	103,440	102,012
Mobile communications	52,900	44,021
Lease finance income	9,309	7,552
Total	$ 361,998	$ 344,416

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.42	—	—
1986	0.56	—	—
1985	0.50	—	5-for-4

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 74,443,000 ‡	$ 8.88
1988	58,101,000 ‡	7.08
1987	57,744,000 ‡	7.04
1986	85,571,000 ‡	9.98
1985	116,054,000	12.60

‡ After allowing for preferred stock at liquidation value.
+ Adjusted to reflect stock spiit.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 352,689	$ 336,864
Lease finance income	9,309	7,552
Total income	$ 361,998	$ 344,416
Cost of sales	237,595	230,509
Expenses	99,068	95,732
Interest expense	10,375	11,151
Income bef. taxes	$ 14,960	$ 7,024
Income taxes	4,790	3,670
Income-cont. oper.	$ 10,170	$ 3,354
Income-discont. oper.	8,855	2,321
Net Income	$ 19,025	$ 5,675

* Included in Costs and Expenses, Depreciation and Amortization: $8,733,000 in 1989 and $9,745,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 22,714	$ 14,421
Accts. receiv., net	58,278	54,457
Lease receiv.	16,848	16,764
*Inventories	86,351	90,266
Prepaid expenses	1,747	1,832
Net assets of Specialty Rubber Prods. oper.	—	30,199
Current Assets	$ 185,938	$ 207,939
#Fixed assets	67,958	70,719
Lease receiv.	41,631	33,650
Other assets	22,730	15,561
Total Assets	$ 318,257	$ 327,869

Liabilities
(000's)

	1989	1988
Notes payable	$ 604	$ 58,344
Long-term debt, curr.	3,835	9,134
Accts. payable	19,207	21,894
Accruals	34,548	34,278
Income taxes pay.	14,696	11,202
Curr. Liabilities	$ 72,890	$ 134,852
Long-term debt	100,796	66,334
Deferred income taxes	476	405
Other liabilities	12,152	10,677
+Preferred stock	2,300	2,300
++Common stock	9,936	9,860
Add. paid-in capital	125,647	126,258
Retained earnings	15,572	572
Translations adjustment	(1)	411
Treasury stock	(20,454)	(22,692)
Unearned compensation	(1,057)	(1,108)
Total Liabilities & Shareholders' Equity	$ 318,257	$ 327,869

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $1.75 convertible exchangeable.
++ $1 par value.

Statistical Summary

% Net Income to Equity	14.42	4.91
Sales to Inventories	4.08	3.73
Debt to Equity	0.80	0.93
Working Capital	$ 113,048,000	$ 73,087,000
Current Ratio	2.55	1.54
Shareholders' Equity	$ 131,943,000	$ 115,601,000

Allen Organ Company

Macungie, Pennsylvania 18062
(215) 966-2200
FAX: (215) 965-3098

Officers: Jerome Markowitz, chairman of the board & chief exec. officer; Steven Markowitz, president; Robert Pearce, vice president-sales; Eugene Moroz, vice president-production & asst. secretary; Leonard W. Helfrich, treasurer & secretary.

Directors: Jerome Markowitz, Robert Pearce, Eugene Moroz, Orville G. Hawk, Steven Markowitz, Albert F. Schuster, Leonard W. Helfrich.

Areas of Work: Manufactures digital computer organs and accessories for the home and institutional markets.

Subsidiaries:

Rocky Mount Instruments Inc.
Rocky Mount, North Carolina
(919) 442-8068

Manufactures various assemblies for Allen organs as well as other instruments.

Transfer Agent(s):

Pittsburgh National Bank
10th St. & Ft. Duquesne Blvd.
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AORGB (NASDQ)

Number of Employees:

1989	455	1986	470
1988	460	1985	500
1987	470		

Plant Footage:

1989	307,000 sq. ft.	1986	287,000
1988	307,000	1985	287,000
1987	307,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 24,179,093	$ 4,826,244
1988	23,132,456	4,617,642
1987	24,224,474	4,458,921
1986	23,108,800	3,655,692
1985	21,748,269	4,168,536

	No. of Com. Shares #	Earn. per Share +
1989	1,504,322	$ 3.21
1988	1,504,323	3.07
1987	1,432,933	2.96
1986	1,364,919	2.43
1985	1,363,980	2.77

Class A and Class B shares combined adjusted to reflect stock dividends and stock split.
+ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.42	—	—
1988	0.40	5%	
1987	0.32	5%	—
1986	0.30	—	—
1985	0.29	—	2-for-1

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 44,426,999	$ 29.53
1988	40,232,607	26.74
1987	36,215,627	25.27
1986	32,216,430	23.60
1985	28,932,623	21.21

+ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 24,179,093	$ 23,132,456
Cost of sales	15,327,593	14,586,308
Expenses	3,583,076	3,271,577
Interest income	(2,308,829)	(1,667,425)
Royalty income	(166,312)	(191,884)
Loss (gain) in sale of assets	66,321	(335,762)
Income before taxes	$ 7,677,244	$ 7,469,642
Income taxes	2,851,000	2,852,000
Net Income	$ 4,826,244	$ 4,617,642

* Included in Costs and Expenses, Depreciation and Amortization: $658,745 in 1989 and $649,746 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 258,866	$ 536,062
Short-term investments	28,629,566	25,299,480
Marketable securities	95,063	155,627
Accts. receiv., net	3,144,964	2,541,285
* Inventories	7,044,945	6,371,066
Def. inc. tax benefits	24,125	33,258
Prepaid inc. taxes	157,789	—
Prepaid expenses	28,325	35,116
Current Assets	$ 39,383,643	$ 34,971,894
# Fixed assets	6,465,343	6,511,889
Other assets	522,630	495,467
Total Assets	$ 46,371,616	$ 41,979,250

Liabilities

	1989	1988
Accts. payable	$ 315,404	$ 165,725
Accrued inc. taxes	—	45,343
Accrued payroll	442,753	438,757
Other accrued expenses	32,955	51,454
Customers' deposits	602,388	553,764
Curr. Liabilities	$ 1,393,500	$ 1,255,043
Deferred liabilities	551,117	491,600
+ Common stock:		
Class A	128,104	128,104
Class B	1,409,889	1,409,889
Add. paid-in capital	12,610,377	12,610,377
Retained earnings	30,395,002	26,200,574
Treasury stock	(116,373)	(116,337)
Total Liabilities & Shareholders' Equity	$ 46,371,616	$ 41,979,250

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	31.75	32.29
%Net Income to Sales	19.96	19.96
%Net Income to Equity	10.86	11.48
Sales to Inventories	3.43	3.63
Working Capital	$ 37,990,143	$ 33,716,851
Current Ratio	28.26	27.87
Shareholders' Equity	$ 44,426,999	$ 40,232,607

Allied-Signal Inc.

(formerly Allied Corporation)

Columbia Road and Park Avenue
P.O. Box 4000R
Morristown, New Jersey 07962
(201) 455-2000
FAX: (201) 455-4807

Officers: Edward L. Hennessy, Jr., chairman of the board & chief exec. officer; Alan Belzer, president & chief operating officer; John W. Day, exec. v.p. & president-Allied-Signal Automotive; Roy H. Ekrom, exec. v.p. & president-Aerospace Company; Frederic M. Poses, exec. v.p. & president-Engineered Materials; John W. Barter, sr. v.p. & chief financial officer; Nicholas A. Cameron, sr. v.p.-operations services; Mary L. Good, sr. v.p.-technology; Brian D. Forrow, sr. v.p. & gen. counsel; Edwin M. Halkyard, sr. v.p.-human resources; David G. Powell, sr. v.p.-public affairs; Edward W. Callahan, v.p.-health, safety, and environmental sciences; G. Peter D'Aloia, v.p. & treasurer; Kenneth W. Cole, v.p.-gov't. relations; J. Thomas Zusi, v.p. & controller; Andrew B. Samet, v.p., secretary & associate general counsel; James J. Verant, v.p. & president-Allied-Signal International.

Directors: Jewel Plummber Cobb, Edward L. Hennessy, Jr., Donald W. Davis, William R. Haselton, Robert D. Kilpatrick, Thomas P. Stafford, Edward J. Boling, Ralph P. Davidson, Richard A. Lenon, Rawleigh Warner, Jr., Delbert C. Staley, Paul X. Kelley, Russell E. Palmer, Eugene E. Covert, 'Alan Belzer, Robert P. Luciano, Robert C. Winters.

Areas of Work: The Company's operations are conducted under three business segments: aerospace, automotive, and engineered materials.

Engineered materials include nylon home furnishings fibers, nylon and polyester industial fibers, nylon apparel fibers, circuit board laminates, engineered plastics, fluorocarbons, high-density polyethylene, low-molecular-weight polyetheylene, hydrofluoric acid, performance films, uranium hexafluoride, specialty oximes, amorphous metal alloys, sulfur hexafluorode, and tar products.

The Company serves key military and commercial segments of the aviation, defense and space markets with a broad array of systems, subsystems, components and services. It designs, develops, manufactures, markets and services hundreds of products found on all types of aircraft from single engine executive aircraft and wide-bodied "jumbos", flown by the world's commercial carriers, to trainers, transports, bombers, fighters and helicopters used by the U.S. and other countries for national defense.

The automotive segment primarily supplies systems and components to domestic and foreign manufacturers of passenger cars, light, medium and heavy trucks and off-road vehicles and also supplies a variety of replacement parts. The company's pricipal original-equipment products for cars and light trucks include disc drum brakes, power brake boosetrs and master cylinders, anti-lock braking sytems (ABS), friction materials, turbochargers and heat exchangers and steering components.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Amsterdam, Paris, Basle, Geneva, Zurich, Frankfurt, London, Tokyo.

Ticker Symbol: ALD

Number of Employees:

1989	107,100	1986	137,200
1988	109,550	1985	143,800
1987	115,300		

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1989	$ 11,942,000	$ 528,000
1988	11,909,000	463,000
1987	11,116,000	656,000
1986	9,888,000	605,000
1985	8,133,000	(279,000)

	No. of Com. Shares	Earn. per Share ‡ #
1989	145,002,641	$ 3.55
1988	147,960,725	3.10
1987	149,948,815	3.90
1986	174,352,025	3.26
1985	175,194,456	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $59,000,000 ($0.35 per share) in 1987.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Aerospace	$ 5,079,000	$ 4,746,000
Automotive	3,849,000	4,101,000
Engineered Materials	2,993,000	3,033,000
Corporate & unallocated	21,000	29,000
Total	$ 11,942,000	$ 11,909,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.80	—	—
1988	1.80	—	
1987	1.80	—	—
1986	1.80	—	—
1985	1.80	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 3,412,000	$ 23.53
1988	3,268,000	22.09
1987	3,129,000	20.87
1986	3,670,000 ‡	21.06
1985	5,833,000 †	33.29

‡ After allowing for preferred stock series at stated value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 11,942,000	$ 11,909,000
Cost of sales	9,663,000	9,606,000
Expenses	1,333,000	1,425,000
Restructuring costs	—	197,000
Oper. profit	$ 946,000	$ 681,000
Other income	(66,000)	(105,000)
Nonrecurring items	—	(165,000)
Interest expense	316,000	318,000
Income before taxes	$ 696,000	$ 633,000
Income taxes	241,000	176,000
Eq. in income of affil. cos.	(73,000)	(6,000)
Net Income	$ 528,000	$ 463,000

* Included in Cost and Expenses, Depreciation and Amortization: $424,000,000 in 1989 and $416,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term securities	$ 525,000	$ 397,000
Accts. & notes receiv., net	1,443,000	1,492,000
* Inventories	2,063,000	2,061,000
Other curr. assets	110,000	167,000
Current Assets	$ 4,141,000	$ 4,117,000
Invest. & long-term receiv.	996,000	921,000
# Fixed assets	3,321,000	3,214,000
Cost in exc. of assets acq.	1,318,000	1,378,000
Other assets	356,000	375,000
Total Assets	$ 10,132,000	$ 10,005,000

Liabilities
(000's)

Accts. payable	$ 1,132,000	$ 1,101,000
Short-term borrowing	259,000	220,000
Long-term debt, curr.	220,000	40,000
Accruals	1,616,000	1,841,000
Curr. Liabilities	$ 3,227,000	$ 3,202,000
Long-term debt	1,903,000	2,044,000
Deferred inc. taxes	722,000	717,000
Other liabilities	868,000	774,000
+ Common stock	179,000	179,000
Add. paid-in capital	2,568,000	2,568,000
Retained earnings	1,923,000	1,671,000
Treasury stock	(1,266,000)	(1,181,000)
Currency trans. adj.	8,000	31,000
Total Liabilities & Shareholders' Equity	$ 10,132,000	$ 10,005,000

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.83	5.32
%Net Income to Sales	4.42	3.89
%Net Income to Equity	15.47	14.17
Sales to Inventories	5.79	5.78
Debt to Equity	0.62	0.71
Working Capital	$ 914,000,000	$ 915,000,000
Current Ratio	1.28	1.29
Shareholders' Equity	$ 3,412,000,000	$ 3,268,000,000

Alpha Industries, Inc.

20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150

Officers: George S. Kariotis, chairman & chief executive officer; Martin J. Reid, president & chief operating officer; Robert E. Goldwasser, sr. v.p.; Donald E. Paulson, secretary; Paul E. Vincent, controller; John A. Hanna, Jr., asst. treasurer.

Directors: George S. Kariotis, chairman; John M. Dempsey, Jr., Timothy X. Cronin, Martin J. Reid, Ray Shamie, Gerald T. Cameron, Sr., Arthur Pappas.

Areas of Work: Supplies microwave ferromagnetic/dielectric materials and semiconductor devices, components and subsystems which are sold to manufacturers of sophisticated electronic systems. These products generate, amplify, detect and control microwave energy. The military defense market accounts for approximately 47% of Alpha's sales. Products include military radar, ECMs (electronic countermeasures) equipment, missile guidance and communications systems.

Divisions and Subsidiaries:

C.F.P. Holding Co., Inc.
20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150
Real estate.

Semiconductor Division
Woburn, Massachusetts
Microwave semiconductor devices and modules.

Advanced Technology Division
Methuen, Massachusetts
Microwave and millimeter wave antennas, components, and subsystems, and gallium arsenide integrated circuits.

Microwave Components Division
Lawrence, Massachusetts
Solid state control components.

TRG-Millimeter Wave Division
Develops millimeter wave monolithic multifunction assemblies.

Central Microwave Company
Maryland Heights, Missouri
Produces gallium arsenide millimeter and microwave signal sources.

Trans-Tech, Inc.
Adamstown, Maryland
Microwave ceramic materials.

Alpha Industries (U.S.A.), Ltd.
England

Alpha Industries GmbH
Germany

Alpha Industries FSC, Inc.
U.S. Virgin Islands

Alpha Securities Corporation
Alpha Telecommunications, Inc.
Alpha DISC, Inc.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: AHA

Number of Employees:

1989	1,025	1986	1,370
1988	1,030	1985	1,500
1987	1,160		

Plant Footage:

1989	363,100 sq. ft.	1986	N.A.
1988	409,100	1985	473,100
1987	409,100		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 65,488,000	$ 139,000
1988	62,215,000	(3,203,000)
1987	70,083,000	(818,000)
1986	70,996,000	(876,000)
1985	69,278,000	3,689,000

	No. of Com. Shares #	Earn. per Share #
1989	7,162,000	$ 0.02
1988	7,162,000	—
1987	7,145,000	—
1986	7,131,000	—
1985	7,078,000	0.52

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Sto[illegible] Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.025	—	—
1985	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 50,979,000	$ 7.12
1988	50,840,000	7.10
1987	53,923,000	7.55
1986	54,667,000	7.67
1985	55,400,000	7.83

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended March 31	1989	1988
Net sales	$ 65,488,000	$ 62,215,000
Cost of sales	48,432,000	49,167,000
Expenses	17,225,000	17,148,000
Interest expense	821,000	825,000
Interest income	(627,000)	(644,000)
Other expense (income)	(687,000)	464,000
Inc. (loss) bef. taxes	$ 324,000	$ (4,745,000)
Income taxes (credit)	110,000	(1,785,000)
Minority interest	75,000	243,000
Net Income (Loss)	$ 139,000	$ (3,203,000)

* Included in Costs and Expenses, Depreciation and Amortization: $5,303,000 in 1989 and $5,091,000 in 1988.

Assets

As of March 31	1989	1988
Cash & temp. invest.	$ 10,496,000	$ 10,692,000
Accts. receiv., net	12,317,000	11,119,000
Inc. tax refund	—	358,000
*Inventories	10,752,000	8,756,000
Prepaid expense	757,000	848,000
Current Assets	$ 34,322,000	$ 31,773,000
#Fixed assets	35,604,000	37,921,000
Other assets	332,000	1,565,000
Total Assets	$ 70,258,000	$ 71,259,000

Liabilities

Long-term debt, curr.	$ 307,000	$ 306,000
Accts. payable	3,049,000	2,385,000
Accruals	6,695,000	5,600,000
Curr. Liabilities	$ 10,051,000	$ 8,291,000
Long-term debt	5,974,000	8,229,000
Minority interest	1,401,000	1,326,000
Other liabilities	497,000	1,104,000
Deferred inc. taxes	1,356,000	1,469,000
+Common stock	1,858,000	1,858,000
Add. paid-in capital	26,387,000	26,387,000
Retained earnings	23,011,000	22,872,000
Treasury stock	(277,000)	(277,000)
Total Liabilities & Shareholders' Equity	$ 70,258,000	$ 71,259,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.49	—
%Net Income to Sales	0.21	—
%Net Income to Equity	0.27	—
Sales to Inventories	6.09	7.11
Debt to Equity	0.12	0.17
Working Capital	$ 24,271,000	$ 23,482,000
Current Ratio	3.41	3.83
Shareholders' Equity	$ 50,979,000	$ 50,840,000

Altos Computer Systems

2641 Orchard Parkway
San Jose, California 95134
(408) 432-6200
FAX: (408) 434-6651

Officers: David Jackson, chairman, president & chief exec. officer; Ronald Conway, exec. v.p.-sales & marketing; David Zacarias, chief operating and financial officer; Colin Goble, v.p.-software products; Edgard Taureau, sr. exec. v.p. & pres.-Altos European Operations; Michael Williams, corp. secretary; Colin Nayler, v.p.-Hardware Engineering; Aziz Valliani, v.p.-engineering; Robert D. DeHaven, v.p.-business development; Ted Drysdale, v.p.-U.S. Sales & Marketing.

Directors: David Jackson, chairman; David Zacarias, Susan Jackson, Donald E. Lundgren, Wilfred J. Corrigan.

Areas of Work: Designs, manufactures and markets multi-user microcomputer systems and software for a variety of business applications.

Subsidiaries:

Altos Computer Systems International
Altos International
San Jose, California

Altos Computer Systems Limited
England

Australian Altos Systems Pty. Limited
New South Wales, Australia

Altos Computer Systems GmbH
West Germany

Altos Computer Systems, S.A.R.L.
France

Altos Computer Systems A/S
Denmark

Altos Foreign Sales Corporation
Barbados

Altos Computer Systems S.R.L.
Italy

Altos Computer Systems AB
Sweden

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALTO (NASDAQ)

Number of Employees:

1989	550	1987	782
1988	872	1986	718

Plant Footage:

1989	170,000 sq. ft.	1987	169,000
1988	210,455	1986	157,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 139,862,000	$ (4,985,000)
1988	175,854,000	22,203,000
1987	153,936,000	9,668,000
1986	134,189,000	20,250,000
1985	124,445,000	10,398,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	11,675,000	$ —
1988	12,496,000	1.78
1987	13,266,000	0.73
1986	14,346,000	1.41
1985	14,915,000	0.70

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 108,097,000	$ 9.26
1988	116,882,000	9.35
1987	106,124,000	8.00
1986	102,393,000	7.14
1985	100,320,000	6.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	6/24/89	6/25/88
Net sales	$ 139,862	$ 175,854
Cost of sales	94,130	101,652
Expenses	61,929	62,997
Restruc. expenses	1,604	—
Interest income	(354)	(623)
Gain on sale of invest.	(9,492)	(23,533)
Inc. (loss) bef. taxes	$ (7,955)	$ 35,361
Income taxes (credit)	(2,970)	13,158
Net Income (Loss)	$ (4,985)	$ 22,203

* Included in Costs and Expenses, Depreciation and Amortization: $4,513,000 in 1989 and $5,559,000 in 1988.

Assets
(000's)

As of	6/24/89	6/25/88
Cash & cash equiv.	$ 56,075	$ 70,022
Accts. receiv., net	30,582	41,010
* Inventories	24,113	28,047
Prepaid inc. taxes	3,809	2,501
Other curr. assets	4,639	5,979
Current Assets	$ 119,218	$ 147,559
# Fixed assets	33,405	34,614
Intangibles & other assets	1,792	4,926
Total Assets	$ 154,415	$ 187,099

Liabilities
(000's)

Notes payable	$ 269	$ 2,745
Long-term debt, curr.	1,990	2,017
Accts. payable	10,031	15,848
Accrued payroll	4,110	4,767
Deferred revenue	1,828	1,624
Other accruals	6,202	6,781
Income taxes	—	12,166
Curr. Liabilities	$ 24,430	$ 45,948
Long-term debt	20,276	22,174
Deferred inc. taxes	1,260	1,348
Minority interest	352	747
+ Common stock	28,496	28,536
+ Junior common stock	128	128
Retained earnings	80,142	88,626
Translation adjust.	(541)	(280)
Shareholder notes receiv.	(128)	(128)
Total Liabilities & Shareholders' Equity	$ 154,415	$ 187,099

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	20.11
%Net Income to Sales	—	12.63
%Net Income to Equity	—	19.00
Sales to Inventories	5.80	6.27
Debt to Equity	0.21	0.23
Working Capital	$ 94,788,000	$ 101,611,000
Current Ratio	4.88	3.21
Shareholders' Equity	$ 108,097,000	$ 116,882,000

AM International

333 West Wacker Drive
Chicago, Illinois 60606
(312) 558-1966
FAX: (312) 558-7965

Officers: Merle H. Banta, chairman, president & chief exec. officer; George H. Gilmore, v.p., & pres.-International Division; John H. Shuey, sr. v.p.-finance & chief financial officer; John C. Ambrister, sr. v.p., secretary & gen. counsel; Morton Rible, sr. v.p.-human resources & administration; Joseph A. Verderber, president-specialty products; Marion G. Durk, v.p.-corp. relations; Thomas J. Gavin, v.p.-taxes; Gerald J. McConnell, v.p., & pres.-Multigraphics Division; Thomas D. Rooney, v.p. & corp. controller; Anthony Spier, pres.-Burning Division; William A. Whitescarver, v.p., & pres.-Bindery and Forms Press Division; Steven F. Kaplan, pres.-AM Ventures; James P. Corcoran, treasurer.

Directors: B. Charles Ames, Charles S. Arledge, Norman E. Auerbach, Stephen F. Hinchliffe, Jr., Carl Kaysen, George Kelm, Theodore Levitt, Merle H. Banta, James M. Reed.

Areas of Work: The Company's products, supplies and service offerings are concentrated in four principal categories. Design and Display products include computer-aided design (CAD) pen plotters and scanners; Reproduction products include offset duplicators, diazo copiers, plain paper copiers, and printers; Finishing products include bindery equipment, folders, collators, and inserters; and Support products include engineering supplies -- such as digital type, plates, ink, coated paper -- and related training and technical services.

Divisions:

Bindery and Forms Press Division
4900 Webster Street
Dayton, Ohio 45414
(513) 278-2651

Bruning Division
18[illegible] Bruning Drive West
Itasca, Illinois 60143
(312) 351-2900

International Division
Two Continental Towers
1701 Golf Road, Suite 308
Rolling Meadows, Illinois 60008
(312) 952-2190

Multigraphics Division
1800 West Central Road
Mt. Prospect, Illinois 60056
(312) 398-1900

Subsidiaries:

AM International, Inc. (Canada)
Canada

AM International Limited
Addressograph Multigraph Ltd.
New Zealand

AM International Pty. Ltd.
Addressograph-Multigraph Pty. Ltd.
Tetota Pty. Ltd.
Australia

AM Disco, Inc.
AM Foreign Sales Corporation
AM International Export Corporation
AM Export Corporation
AM Distribution Services Corporation

AM International A.G.
Switzerland

AM International, (Pty.) Limited
South Africa

AM International, S.A. Spain
Spain

AM International (Holdings) Limited
Admel International Limited
AM Admel Limited
AM Jacquard Systems, Ltd.
AM International Information Systems Limited
Addressograph-Multigraph Limited
AM International Leasing Ltd.
Great Britain

AM International G.m.b.H.
AM Bruning G.m.b.H.
West Germany

AM International Corporation N.V.
Netherlands Antilies

Grafcon Corporation
Multigraphics Advertising Corporation

Addressograph-Multigraph Corporation
AM International Leasing Corporation
AM Finance Canada Ltd.
AM Puerto Rico, Inc.
AM International (Denmark) A.S.
AM International (Finland) OY
AM Japan Company, Ltd. (67%-owned)
AM International S.A. de C.V. (Mexico)
AM International B.V. (Netherlands)
AM International AB (Sweden)
AM International S.A. (France)
AM International S.A./N.V. (Belgium)
Addressograph-Multigraph Limited (Zambia)

AM Holdings, Inc.

Bruning Computer Graphics
Manufacturers and distributes pen plotters.

Acquisition:

Wohlenberg KG
West Germany
Manufacturer of graphics equipment products and machine tools.

Transfer Agent(s):

First Chicago Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Pacific, Midwest

Ticker Symbol: AM

Number of Employees:

1989	7,523	1986	12,703
1988	7,538	1985	9,492
1987	11,968		

Plant Footage:

1989	N.A.	1987	3,942,100
1988	2,124,100 sq. ft.	1986	3,858,000

N.A.- Not Available

Sales & Earnings

	Revenues +	Net Income †
1989	$ 850,578,000	$ 31,008,000
1988	820,709,000	(20,370,000)
1987	747,228,000	12,849,000
1986	536,493,000	4,688,000
1985	506,956,000	24,821,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	51,371,000	$ 0.47
1988	51,821,000	—
1987	51,793,000	0.11
1986	41,653,000	0.04
1985	40,809,000	0.61

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $1,100,000 ($0.03 per share) in 1986 and $5,029,000 ($0.12 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 156,907,000 ‡	$ 4.00
1988	146,222,000 ‡	3.75
1987	173,011,000 ‡	4.19
1986	161,590,000 ‡	4.07
1985	99,655,000	2.47

‡ After allowing for preferred stock at aggregate liquidation preference.

Income Account *
(000's)

Year ended July 31	1989	1988
Revenues:		
Machines & supplies	$ 651,782	$ 625,813
Service	198,796	194,896
Total revenues	$ 850,578	$ 820,709
Cost of sales	558,102	533,588
Expenses	244,113	242,578
Interest expense	16,268	15,526
Interest income	(4,493)	(2,479)
Other expense	4,053	21,781
Income before taxes	$ 32,535	$ 9,715
Income taxes	1,527	1,614
Inc.-cont. oper.	$ 31,008	$ 8,101
Loss-discont. oper.	—	(28,471)
Net Income (Loss)	$ 31,008	$ (20,370)

* Included in Costs and Expenses, Depreciation and Amortization: $20,083,000 in 1989 and $21,331,000 in 1988.

Assets
(000's)

As of July 31	1989	1988
Cash & cash equiv.	$ 63,671	$ 14,168
Accts. receiv., net	174,334	172,526
*Inventories	142,079	123,458
Net assets-discont. oper.	—	229,967
Prepaid expenses	11,685	9,052
Current Assets	$ 391,769	$ 549,171
#Fixed assets	63,073	61,298
Cost [illegible]xc. of assets acq.	137,634	136,813
Other assets	22,703	29,587
Total Assets	$ 615,179	$ 776,869

Liabilities
(000's)

	1989	1988
Short-term borrowings	$ 17,073	$ 153,606
Accts. payable	80,991	75,654
Service contract deferred inc.	43,030	43,056
Payroll expenses	40,434	40,478
Other current liabilities	44,892	76,019
Curr. Liabilities	$ 226,420	$ 388,813
Long-term debt	104,116	108,630
Other liabilities	41,486	46,954
+Preferred stock	35	35
++Common stock	518	516
Add. paid-in capital	338,501	337,907
Retained earnings (deficit)	(71,579)	(95,687)
Notes receiv. from officers	(4,211)	(4,226)
Treasury stock	(7,019)	(83)
Deferred compensation	(4,008)	—
Cum. trans. adjust.	(9,080)	(6,073)
Total Liabilities & Shareholders' Equity	$ 615,179	$ 776,869

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; $2 convertible exchangeable.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	3.83	—
%Net Income to Revenues	3.65	—
%Net Income to Equity	12.75	—
Debt to Equity	0.50	1.13
Working Capital	$ 165,349,000	$ 160,358,000
Current Ratio	1.73	1.41
Shareholders' Equity	$ 243,157,000	$ 232,472,000

Amdahl Corporation

(44%-owned by Fujitsu Limited)

1250 East Arques Avenue
Sunnyvale, California 94088-3470
(408) 746-6000

Officers: John C. Lewis, chairman of the board & chief executive officer; Eugene R. White, vice chairman; E. Joseph Zemke, president & chief operating officer; Edward F. Thompson, v.p., chief financial officer & secretary; William F. O'Connell, Jr., sr. v.p.-corporate strategy; Bruce O. Beebe, sr. v.p.-product operations; David M. Brewer, v.p.-processor products; Michael R. Clements, chief technical officer & v.p.-advanced development; Joseph J. Francesconi, sr. v.p.-customer services, communications systems & corp. info. services; E. Ted Springstead, sr. v.p.-marketing operations; Anthony M. Pozos, sr. v.p.-industrial relations & corporate services; William Flanagan, v.p.-manufacturing; Ernest B. Thompson, v.p. & controller; Thomas F. O'Rourke, v.p.-storage business development; Daniel W. Tierney, v.p.-corp. operations & administration systems; Frederick M. Trapnell, Jr., v.p.-products development; David L. Beamer, v.p.-U.S. sales operations; O. J. Nutt, v.p.-corp. marketing; David L. Anderson, v.p.-advanced systems; William F. Ferone, v.p.-UNIX systems; Eric L. Miles, v.p.-systems software; James A. Wendling, controller-corp. operations; Thomas J. Meredith, asst. treasurer; G. Gregory Handschuh, asst. secretary; Oscar A. Rosenbloom, asst. secretary; Paul B. Hamilton, asst. controller.

Directors: John C. Lewis, chairman; E. F. Heizer, Jr., Burton G. Malkiel, Walter B. Reinhold, R. Stanley Laing, J. Sidney Webb, Yoshinao Hirose, George R. Packard, Kazuo Watanabe, Eugene R. White, E. Joseph Zemke, Yasushi Nakamura.

Areas of Work: Designs, develops, manufactures, markets and services large-scale, high-performance, general-purpose and scientific computer systems, storage products, communications systems, software, and educational products.

Divisions and Subsidiaries:

Amdahl Canada Limited
1 First Canadian Place, 5th Floor
P.O. Box 123
Toronto, Ontario M5X 1A4, Canada
(416) 862-7479

Amdahl Belgium S.A.
360 Boulevard du Souverain, Sixth Floor
1160 Brussels, Belgium

Amdahl Danmark Computer Systems A/S
Sundkrogsgade 2
DK-2100 Kodenhaven oe, Denmark

Amdahl Deutschland GmbH
Arabella Strasse 21
P.B. 810109
D-8000 Muenchen 81, West Germany

Amdahl Nederland B.V.
Havenweg 24
4130 EB Vianen
Amsterdam, The Netherlands

Amdahl France S.A.R.L.
Maillot 2000
251 Boulevard Pereire
75853 Paris, Cedex 17, France

Amdahl Italia, S.p.A.
Viale Castello
Della Magliana, 75
Rome 00148, Italy

Amdahl Norge A/S
Brynsveien 3
P.O. Box 6221
Etterstad, 0603, Oslo 6, Norway

Amdahl Svenska AB
Svardvagen 11
Box 150
S-182 12 Danderyd, Sweden

Amdahl Schweiz AG
Baumacherstrasse 46
CH-8050 Zurich, Switzerland

Amdahl Ireland, Limited
Balheary Industrial Park
Swords, County Dublin, Ireland

Amdahl Communications Systems Division
2500 Walnut Avenue
Marina del Rey, California 90291
Designs, produces, markets, installs and services equipment (excluding transmission facilities) and software that constitute digital communications networks.

Amdahl (U.K.) Limited
Viking House
29/31 Lampton Road
Hounslow, Middlesex TW3 1JD, England

Communications Systems Division
1320 Shawson Drive
Mississauga, Ontario L4W 1C3, Canada
(416) 678-9504

Amdahl Australia Pty Ltd.
Number 1 Pacific Highway
North Sydney NSW 2060, Australia

Amdahl International Hong Kong
3804-06, 38/F
Bond Centre/West Tower
89 Queensway, Hong Kong

Amdahl International Singapore
35-03 Shell Tower
50 Raffles Place,
Singapore 0104

Amdahl International New Zealand
First Floor, Natwest House
132 The Terrace, P.O. Box 5004
Wellington, New Zealand

Amdahl Pacific Basin Operations, Inc.
16th Floor, Silom Centre Building
2 Silom Road
Bankok, 10500, Thailand

Transfer Agent(s):

Bank of America, NT & SA
San Francisco, CA; New York, New York

Stock Exchange(s): American, London

Ticker Symbol: AMH

Number of Employees:

1988	8,300	1985	6,900
1987	7,650	1984	7,000
1986	7,200		

Plant Footage:

1988	2,700,000 sq. ft.	1985	N.A.
1987	1,967,551	1984	1,900,000
1986	N.A.		

N.A. - Not Available.

Sales & Earnings

	Revenues	Net Income ‡
1988	$ 1,801,807,000	$ 223,333,000
1987	1,505,160,000	145,985,000
1986	966,349,000	41,829,000
1985	862,032,000	28,706,000
1984	779,413,000	36,429,000

	No. of Com. Shares #	Earn. per Share ‡ #
1988	107,334,000	$ 2.08
1987	103,722,000	1.41
1986	97,702,000	0.43
1985	95,178,000	0.30
1984	91,138,000	0.40

‡ Including extraordinary gains of $9,500,000 ($0.09 per share) in 1988, $4,000,000 ($0.04 per share) in 1987, $2,500,000 ($0.03 per share) in 1986 and $4,300,000 ($0.04 per share) in 1985.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.10	—	2-for-1
1987	0.10	—	
1986	0.10	—	—
1985	0.10	—	—
1984	0.10	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 1,010,821,000	$ 9.42
1987	765,706,000	7.38
1986	500,704,000	5.12
1985	457,760,000	4.81
1984	428,300,000	4.70

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/30/88	12/25/87
Revenues	$ 1,801,807	$ 1,505,160
Cost of revenues	968,555	825,918
Expenses	508,612	427,237
Interest income	(50,355)	(33,128)
Interest expense	13,962	18,148
Income before taxes	$ 361,033	$ 266,985
Income taxes	147,200	125,000
Net Income	$ 213,833	$ 141,985
Extraordinary gain	9,500	4,000
Net Income & extraordinary gain	$ 223,333	$ 145,985

* Included in Costs and Expenses, Depreciation and Amortization: $112,372,000 in 1988 and $107,260,000 in 1987.

Assets
(000's)

As of	12/30/88	12/25/87
Cash & short-term invest.	$ 526,492	$ 538,677
Receivables	503,062	416,820
*Inventories	403,847	192,012
Prepaid expenses & def. tax benefit	50,568	30,760
Current Assets	$ 1,483,969	$ 1,178,269
Long-term receiv.	34,512	53,321
#Fixed assets	412,382	275,948
Total Assets	$ 1,930,863	$ 1,507,538

Liabilities
(000's)

Notes payable	$ 49,611	$ 58,923
Accts. payable	46,992	48,190
Accts. pay.-stockholder	170,054	111,259
Accrued liabilities	416,653	306,548
Curr. Liabilities	$ 683,310	$ 524,920
Long-term debt	95,305	99,056
Deferred inc. taxes	141,427	117,856
+Common stock	5,315	5,233
Add. paid-in capital	434,717	411,597
Retained earnings	561,654	348,876
Cum. trans. adjust.	9,135	—
Total Liabilities & Shareholders' Equity	$ 1,930,863	$ 1,507,538

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.05 par value.

Statistical Summary

%Income bef. Taxes to Revenues	20.04	17.74
%Net Income to Revenues	11.87	9.43
%Net Income to Equity	21.15	18.54
Debt to Equity	0.14	0.21
Working Capital	$ 800,659,000	$ 653,349,000
Current Ratio	2.17	2.24
Shareholders' Equity	$ 1,010,821,000	$ 765,706,000

American Precision Industries Inc.

2777 Walden Avenue
Buffalo, New York 14225
(716) 684-9700
FAX: (716) 684-2129

Officers: Robert J. Fierle, chairman & president; Richard P. Becht, exec. v.p.-administration; John M. Murray, v.p.-finance & treasurer; William A. Donovan, secretary; James W. Bevevino, exec. v.p.-operations; Donald C. McElheny, v.p. & president-Electronic Components Group; Richard S. Warzala, v.p. & president-Controls Division; Rudolph Kristich, president-Heat Transfer Group; Thomas M. Huebsch, controller; Leslie A. Marotto, asst. secretary.

Directors: Robert J. Fierle, chairman; Clark Daugherty, Bernard J. Kennedy, William P. Panny, John M. Albertine, Douglas J. MacMaster, Jr..

Areas of Work: Designs and manufactures ultraprecision mechanisms for industry and government. The Industrial Process Equipment segment of the business produces heat transfer products for manufacturers of gas compressors, steam and gas turbines, diesel engines, compressed air dryers, air conditioning equipment and hydraulic systems. The Electronic Components segment manufactures and sells high reliability micro-miniature coils, electromagnetic clutches and brakes, step motors, and controllers to the industrial, computer, telecommunications, military, aerospace and business machine markets.

Divisions:

Basco Division
2777 Walden Avenue
Buffalo, New York 14225
(716) 684-6700

Designs and manufactures standard and custom heat transfer products, such as heat exchangers and condensers for commercial and industrial use.

Delevan Division
270 Quaker Road
East Aurora, New York 14052
(716) 652-3600

Designer and manufacturer of microminiature coil and transformer products used mainly by computer manufacturers, producers of data communication systems, and as part of the electronics necessary for governmental space probes.

Deltran Division
4401 Genesee Street
Buffalo, New York 14225
(716) 631-9800

Designs and manufactures electromechanical clutches and brakes for manufacturers of business machines, computer peripherals, aircraft and medical test equipment.

Air Cooled Applications Division
465 Ohio Street
Lockport, New York 14094
(716) 433-3053

Custom manufactures aluminum air-to-air and air-to-liquid heat exchangers for the air cooled heat exchanger market.

Surface Mounted Devices Division
95 North Street
Arcade, New York 14009
(716) 496-6052

Manufactures surface mounted inductors.

API of Florida Division
5801 Silver Springs Boulevard
Silver Springs, Florida 32688
(904) 236-1261

Manufactures standard inductive components.

Air Technologies Division
274 Sandusky Road
Arcade, New York 14009
(716) 496-5755

Custom manufactures aluminum air-to-air and air-to-liquid heat exchangers for the air cooled heat exchanger market.

Rapidsyn Division
3229 Roymar Road
Oceanside, California 92054
(619) 439-7500

Designs, manufactures, and sells step motors to the machine tool, robotics, computer hardware, business machine, aircraft, aerospace and military related industries.

Controls Division
4401 Genesee Street
Buffalo, New York 14225
(716) 631-9800

Designs, manufactures and markets electronic step motor control products.

Subsidiaries:

American Precision Industries (U.K.) Ltd.
Aldwych House
Aldwych
London WC2B 4JP, England

API Development Corporation
2777 Walden Avenue
Buffalo, New York 14225

Nitta-Apitron Co., Ltd. (50% owned)
55-1 2chome, Honmachi, Higashi-Ku
Osaka 541, Japan

API-FS Corporation
5 Norre Gade
St. Thomas, U.S. Virgin Islands

API of Canada, Inc.
698 Wilson Avenue
Kitchener, Ontario, Canada, N2C IH9

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: APR

Number of Employees:

1989	775	1986	670
1988	866	1985	620
1987	840		

Plant Footage:

1989	296,000 sq.ft.	1987	253,800
1988	272,500	1986	253,800

Sales & Earnings

	Net Sales	Net Income
1989	$ 52,379,000	$ 4,499,000
1988	49,731,000	3,571,000
1987	37,609,000	1,611,000
1986*	34,469,000	813,000
1985	34,542,000	1,595,000

	No. of Com. Shares +	Earn. per Share #
1989	5,854,000	$ 0.77
1988	5,845,000	0.61
1987	5,806,000	0.28
1986	5,785,000	0.14
1985	5,793,000	0.28

* 53 weeks.
+ Adjusted to reflect stock dividend and stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend and stock splits.

Revenues by Line of Business

	1989	1988
Indust. process equip.	$ 24,135,000	$ 19,121,000
Electronic products	27,450,000	30,124,000
General corporate	794,000	486,000
Total	$ 52,379,000	$ 49,731,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.1925	—	—
1988	0.1675	—	
1987	0.156	—	—
1986	0.140	—	3-for-2
1985	0.125	10%	—

† Adjusted to reflect stock dividend and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 25,713,000	$ 4.39
1988	22,071,000	3.78
1987	19,519,000	3.36
1986	18,719,000	3.23
1985	18,936,000	3.27

† Adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended	12/29/89	12/30/88
Revenues	$ 52,379,000	$ 49,731,000
Cost of revenues	33,176,000	32,037,000
Expenses	12,201,000	11,468,000
Interest expense	452,000	127,000
Other expense (income)	(355,000)	635,000
Income before taxes	$ 6,905,000	$ 5,464,000
Income taxes	2,406,000	1,893,000
Net Income	$ 4,499,000	$ 3,571,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,050,000 in 1989 and $1,167,000 in 1988.

Assets

As of	12/29/89	12/30/88
Cash & cash equiv.	$ 2,105,000	$ 2,085,000
Accts. receiv., net	8,267,000	7,585,000
Marketable secur.	2,758,000	1,820,000
*Inventories	5,670,000	5,647,000
Prepaid expenses	1,403,000	1,263,000
Prepaid income taxes	174,000	463,000
Current Assets	$ 20,377,000	$ 18,863,000
Investments	6,369,000	5,097,000
#Fixed assets	7,742,000	4,969,000
Other assets	2,572,000	1,933,000
Total Assets	$ 37,060,000	$ 30,862,000

Liabilities

Long-term debt, curr.	$ 656,000	$ 271,000
Accts. payable	2,411,000	2,342,000
Accrued payroll	1,344,000	1,231,000
Other accruals	291,000	247,000
Dividends payable	293,000	248,000
Income taxes	93,000	—
Deferred inc. taxes	—	28,000
Curr. Liabilities	$ 5,088,000	$ 4,367,000
Long-term debt	5,559,000	4,135,000
Other liabilities	700,000	289,000
+ Common stock	3,937,000	3,924,000
Add. paid-in capital	9,768,000	9,695,000
Retained earnings	12,511,000	9,137,000
Unreal. loss on eq. secur.	—	(317,000)
Treasury stock	(503,000)	(368,000)
Total Liabilities & Shareholders' Equity	$ 37,060,000	$ 30,862,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $0.66 2/3 par value.

Statistical Summary

%Income before Taxes to Sales	13.39	11.10
%Net Income to Sales	8.72	7.25
%Net Income to Equity	17.50	16.18
Sales to Inventories	9.10	8.72
Debt to Equity	0.24	0.20
Working Capital	$ 15,289,000	$ 14,496,000
Current Ratio	4.00	4.32
Shareholders' Equity	$ 25,713,000	$ 22,071,000

American Science and Engineering, Inc.

Fort Washington
Cambridge, Massachusetts 02139
(617) 868-1600
FAX: (617) 354-1054

Officers: Martin Annis, chairman of the board & president; Clayton R. Annis, sr. v.p. & treasurer; Richard Magazu, v.p.-operations; Timothy I. Fillion, v.p.-engineering; James C. Nemiah, clerk & general counsel.

Directors: Martin Annis, chairman; Alvin S. Hochberg, Herman Feshbach, Ismael Escobar, Clayton R. Annis, Marie T. Spaulding, Ernest Moniz.

Areas of Work: The company develops, manufactures and markets a wide range of x-ray products.

Divisions:

Instrument Systems Division
Cambridge, Massachusetts 02139
(617) 868-1600

Designs and manufactures high technology products including MICRO DOSE X-RAY Inspection Systems for the detection of contraband and X-Ray systems for medical instrumentation.

ASEP Division
Cambridge, Massachusetts 02139
(617) 868-1600

Produces load management systems under the trade name ASEP. This system is bidirectional, offers load status, automatic time-of-use metering, automatic load survey, and load control.

Space Division
Cambridge, Massachusetts

Designs and builds scientific equipment payloads for NASA, primarily in the field of X-Ray astronomy.

Subsidiary:

AS&E Radiography, Inc.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: ASE

Number of Employees:

1989	240	1986	285
1988	242	1985	233
1987	249		

Plant Footage:

1989	124,000 sq. ft.	1987	124,000
1988	124,000	1986	124,000

American Science and Engineering, Inc.

Sales & Earnings

	Total Revenues +	Net Income #
1989	$ 24,804,000	$ 400,000
1988	18,698,000	(1,332,000)
1987	20,127,000	(383,000)
1986	23,691,000	781,000
1985	20,529,000	(1,027,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1989	3,724,000	$ 0.11
1988	3,694,000	—
1987	3,694,000	—
1986	3,641,000	0.21
1985	3,576,000	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $137,000 ($0.04 per share) in 1989 and $363,000 ($0.10 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
X-ray products	$ 21,078,000	$ 13,251,000
Control systems	3,726,000	5,447,000
Total	$ 24,804,000	$ 18,698,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 9,265,000	$ 2.51
1988	8,858,000	2.40
1987	10,190,000	2.76
1986	10,076,000	2.78
1985	9,295,000	2.56

Income Account *

Year ended March 31	1989	1988
Total revenue	$ 24,804,000	$ 18,698,000
Cost of sales & contracts	19,246,000	15,800,000
Expenses	5,279,000	4,426,000
Oper. income (loss)	$ 279,000	$ (1,528,000)
Other income	(163,000)	(196,000)
Income (loss) bef. taxes	$ 442,000	$ (1,332,000)
Income taxes	179,000	—
Net Income (Loss)	$ 263,000	$ (1,332,000)
Extraord. gain	137,000	—
Net Income (Loss) & extraord. gain	$ 400,000	$ (1,332,000)

* Included in Costs and Expenses, Depreciation and Amortization: $415,000 in 1989 and $487,000 in 1987.

Assets

As of March 31	1989	1988
Cash	$ 418,000	$ 180,000
Short-term invest.	1,250,000	1,671,000
Accts. receiv., net	4,416,000	3,573,000
Notes receiv.	743,000	109,000
Unbilled costs & fees	472,000	856,000
Prepaid expenses	114,000	195,000
Inventories	4,705,000	4,045,000
Current Assets	$ 12,118,000	$ 10,629,000
Notes receivable	—	634,000
#Fixed assets	901,000	1,029,000
Intangibles	238,000	333,000
Unbilled costs	469,000	560,000
Total Assets	$ 13,726,000	$ 13,185,000

Liabilities

Accts. payable	$ 1,121,000	$ 1,337,000
Accrued salary	596,000	571,000
Income taxes	174,000	130,000
Cust. deposits	1,116,000	807,000
Other accruals	527,000	535,000
Curr. Liabilities	$ 3,534,000	$ 3,380,000
Deferred rent	374,000	326,000
Deferred compensation	130,000	127,000
Deferred gain	423,000	494,000
+Common stock	2,604,000	2,602,000
Add. paid-in capital	11,367,000	11,362,000
Deficit	(4,412,000)	(4,812,000)
Treasury stock	(294,000)	(294,000)
Total Liabilities & Shareholders' Equity	$ 13,726,000	$ 13,185,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.66 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.78	—
%Net Income to Sales	1.06	—
%Net Income to Equity	2.84	—
Working Capital	$ 8,584,000	$ 7,249,000
Current Ratio	3.43	3.14
Shareholders' Equity	$ 9,265,000	$ 8.858,000

American Telephone & Telegraph Company

550 Madison Avenue
New York, New York 10022-3297
(212) 605-5500
FAX: (212) 308-1820

Officers: Robert E. Allen, chairman & chief executive officer; Morris Tanenbaum, vice chairman & chief financial officer; Randall L. Tobias, vice chairman; W. Frank Blount, group exec.-communications products; Robert M. Kavner, group exec.-data systems & federal systems; Victor A. Pelson, group exec.-communications services; Ian M. Ross, pres.-AT&T Bell Laboratories; Sam R. Willcoxon, group exec.-international; John D. Zeglis, sr. v.p. & gen. counsel; Harold W. Burlingame, sr. v.p.-human resources; Marilyn Laurie, sr. v.p.-public relations; William B. Marx, Jr., group exec.-network systems.

Directors: Philip M. Hawley, Edward G. Jefferson, Belton K. Johnson, Rawleigh Warner, Jr., James H. Evans, Juanita M. Kreps, Donald S. Perkins, Henry B. Schacht, Thomas H. Wyman, Robert Allen, Michael I. Sovern, Morris Tanenbaum, Joseph D. Williams, Donald F. McHenry, Randall L. Tobias, Walter Y. Elisha, M. Kathryn Eickhoff, Franklin A. Thomas, Drew Lewis, C. Perry Colwell, Roger F. Davis, S. Lawrence Prendergast, Robert E. Scannell.

Areas of Work: The company has been reorganized into two sectors: AT&T Communications provides long distance services throughout the United States and to most of the rest of the world; AT&T Technologies are business groups producing network systems, components and electronic systems, computers, business information systems, consumer products for home and business and systems for the Federal government. Worldwide business interests are managed by AT&T International. Bell Telephone Laboratories, a research and development subsidiary, serves both sectors. The company also operates approximately 900 phone centers selling telephones and related equipment.

Divisions and Subsidiaries:

AT&T Communications, Inc.
Provides inter- and intrastate communication long distance services between telephone company boundaries as well as service to some 200 countries and territories around the globe.

AT&T Technologies, Inc.
Encompasses seven lines of business, including former subsidiary Western Electric. These segments are: AT&T Bell Laboratories, Network Systems, Information Systems, Consumer Products, Technology Systems, and AT&T International.

American Transtech, Inc.
Provides shareholder services.

AT&T International, Inc.

Bell Telephone Laboratories, Inc.

AT&T Information Systems Inc.

AT&T Resource Management Corporation

AT&T Credit Corporation

Actuarial Sciences Associates, Inc.
Financial consulting services.

AT&T Network Systems International (60%-owned)
The Netherlands
Designs, develops, manufactures and markets network systems products in Europe and elsewhere.

AT&T Microelectronica de Espana S.A. (80%-owned)
Spain
Designs and produces custom integrated circuits for the European market.

AT&T Ricoh Company, Ltd. (51%-owned)
Japan
Manufactures a Japanese version of AT&T's Merlin II system.

AT&T Taiwan Telecommunications Co., Ltd. (70%-owned)
Taiwan
Manufactures switching systems.

Acquisitions:

Paradyne Corporation
Develops, manufactures and services data communications equipment.

Eaton Financial Corporation
An office equipment finance company.

AG Communications Systems Corporation (49% owned)

Italtel S.p.A. (20% owned)
Manufacturer of public and private telecommunications systems based in Italy

Istel Group Ltd.
An information technology services company based in the United Kingdom.

Sun Microsystems, Inc. (16.4% owned)

Compagnie Industriali Riunite S.p.A.
An Italian holding company with investments in information technologies, publishing, financial services and automotive components.

Transfer Offices:

American Transtech
P.O. Box 45048
Jacksonville, Florida 32232-5048

Stock Exchange(s): New York, Boston, Philadelphia, Pacific, Midwest, London, Paris, Zurich, Lausanne, Geneva, Tokyo, Amsterdam, Brussels

Ticker Symbol: T

Number of Employees:

1989	283,500	1986	316,900
1988	304,700	1985	337,600
1987	303,000		

Note: On Jan. 1, 1984, AT&T was required by Court order to divest those parts of the Bell System operating telephone companies that provided local exchange and exchange access services and printed directory advertising. As a consequence of divestiture, current financial results are not comparable to those prior to 1984.

Sales & Earnings

	Operating Revenues (000's)	Net Income (000's)
1989	$ 36,112,000	$ 2,697,000
1988	35,210,000	(1,669,000)
1987	33,768,000	2,044,000
1986	34,213,000	139,000
1985	34,496,000	1,557,000

	No. of Com. Shares #	Earn. per Share #
1989	1,077,000,000	$ 2.50
1988	1,075,000,000	—
1987	1,073,000,000	1.88
1986	1,071,000,000	0.05
1985	1,057,900,000	1.37

(Loss)
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.20	—	—
1988	1.20	—	—
1987	1.20	—	—
1986	1.20	—	—
1985	1.20	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 12,738,000	$ 11.84
1988	11,465,000	10.68
1987	14,455,000	13.46
1986	13,550,000	12.64
1985	14,633,300	13.68

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Sales of serv.	$ 22,127,000	$ 20,833,000
Sales of prods.	11,525,000	11,334,000
Rental revenues	2,460,000	3,043,000
Total oper. revenues	$ 36,112,000	$ 35,210,000
Cost of service	8,474,000	15,550,000
Cost of prod.	6,973,000	6,571,000
Cost of rentals	1,100,000	1,454,000
Expenses	15,287,000	14,702,000
Other income	(405,000)	(269,000)
Interest expense	691,000	584,000
Inc. (loss) bef. taxes	$ 3,992,000	$ (3,382,000)
Income taxes (credit)	1,295,000	(1,713,000)
Net Income (Loss)	$ 2,697,000	$ (1,669,000)

* Included in Costs and Expenses, Depreciation: $3,366,000,000 in 1989 and $3,690,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & temp. cash invest.	$ 1,183,000	$ 2,021,000
Accts. receiv., net	9,555,000	8,907,000
* Inventories	3,206,000	3,392,000
Def. income taxes	942,000	1,162,000
Other curr. assets	405,000	120,000
Current Assets	$ 15,291,000	$ 15,602,000
Investments	1,187,000	859,000
# Fixed assets	15,919,000	15,280,000
Other assets	5,290,000	3,411,000
Total Assets	$ 37,687,000	$ 35,152,000

Liabilities
(000's)

Accts payable	$ 4,763,000	$ 4,948,000
Payroll rel. liab.	2,571,000	2,435,000
Long-term debt, curr.	2,426,000	1,139,000
Dividends payable	323,000	322,000
Other curr. liab.	2,154,000	2,381,000
Curr. Liabilities	$ 12,237,000	$ 11,225,000
Long-term debt	8,144,000	8,128,000
Other liabilities	1,390,000	1,462,000
Deferred inc. taxes	2,070,000	1,653,000
Unamort. invest. tax credit	819,000	883,000
Other deferred credits	289,000	336,000
+ Common stock	1,076,000	1,074,000
Add. paid-in capital	8,700,000	8,613,000
Retained earnings	2,962,000	1,778,000
Total Liabilities & Shareholders' Equity	$ 37,687,000	$ 35,152,000

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	11.05	—
%Net Income to Revenues	7.47	—
%Net Income to Equity	12.17	—
Debt to Equity	0.83	0.81
Working Capital (000's)	$ 3,054,000	$ 4,377,000
Current Ratio	1.25	1.39
Shareholders' Equity (000's)	$ 12,738,000	$ 11,465,000

Ametek, Inc.

21st Floor
410 Park Avenue
New York, New York 10022
(212) 935-8640
FAX: (212) 371-1921

Operations Headquarters:
Station Square Two
Paoli, Pennsylvania 19301
(215) 647-2121

Officers: John H. Lux, chairman of the board and chief executive officer; Walter E. Blankley, president & chief executive officer; Roger K. Derr, exec. v.p. & chief operating officer; Neal R. Stark, v.p.-compliance; Robert A. Russell, v.p.-marketing; Murray A. Luftglass, sr. v.p.-corporate development; Walter E. Blankley, sr. v.p.; Allan Kornfeld, exec. v.p. & chief financial officer; Peter A. Guercio, group v.p.; Wallace E. Cowan, secretary; Robert W. Yannarell, treasurer & asst. secretary; John J. Molinelli, general auditor; W. David Foote, comptroller.

Directors: Hulbert S. Aldrich, Helmut N. Friedlaender, John P. Dandalides, Wallace E. Cowan, Charles D. Klein, Sheldon S. Gordon, John H. Lux, Anthony A. Sirna, III, Lewis G. Cole, Elizabeth R. Varet.

Areas of Work: A diversified manufacturer producing capital goods and components used in consumer products through its four operating groups: Electro-mechanical, Precision Instruments, Process Equipment, and Industrial Materials.

Divisions:

Electro-Mechanical Group

Lamb Electric
627 Lake Street
Kent, Ohio 44240
(216) 673-3451
Fractional horsepower electric motors and blowers for commercial and home appliances.

Eastport International
501 Prince George's Center Blvd.
Upper Marlboro, Maryland 20772
(301) 249-3300
Electrol/acoustic systems, field operation and maintenance of unmanned undersea vehicles.

Ametek Offshore (Scotland) Co.
Aberdeen, Scotland
Production and maintenance of unmanned submarines.

Los Angeles Die Casting
340 Croker Street
Los Angeles, California 90013
(213) 624-2322
Custom aluminum and zinc die-casting.

Straza
790 Greenfield Drive
El Cajon, California 92022
(619) 442-3451
Aerospace components, electro-acoustic and cryogenic systems.

Offshore Research & Engineering
41 Aero Camino
Santa Barbara, California 93160
(805) 683-2151
Off-shore systems engineering.

Elettromotori Crema S.P.A. (62%-owned)
Via de Gasperi, 18/A
1 26010 Ripalta Cremasca (CR)
(0373) 68628 r.a., Italy
Manufactures electric motors.

Precision Instruments Group

McCrometer
3255 W. Stetson Avenue
Hemet, California 92343
(714) 652-6811
Specialty flowmeters.

Controls
820 Pennsylvania Boulevard
Feasterville, Pennsylvania 19047
(215) 355-6900
Electronic-pneumatic instruments, recorders, controllers.

Mansfield & Green
8600 Somerset Drive
Largo, Florida 33543
(813) 536-7831
Pressure testing and calibration instruments.

Panaiarm
7401 N. Hamlin Avenue
Skokie, Illinois 60076
(312) 675-2500
Supplier of electrical/electronic and fiber optic process monitoring instruments.

U.S. Gauge
900 Clymer Avenue
Sellersville, Pennsylvania 18960
(215) 2[illegible]7-653[illegible]
Pressure and temperature gauges for general industrial use, aircraft and automotive instrumentation, electronic pressure transducers, digital and liquid crystal graphic displays; Hunter Spring Neg'ator and Spir'ator constant force springs.

Rodan
2905 Blue Star Street
Anaheim, California 92806
(714) 630-0081
Thermistors, electronics.

Thermox Instruments
150 Freeport Road
Pittsburgh, Pennsylvania 15238
(412) 828-9040
Oxygen measuring instruments and combustibles analyzers.

Process Equipment Group

Heat Transfer Equipment
2300 W. Marshall Drive
Grand Prairie, Texas 75050
(214) 647-2626
Heat exchangers, refrigeration systems and package chillers.

Ametek, Inc.

Process Equipment
9484 Mission Park Place
Santee, California 92071
(619) 449-0205
Tolhurst centrifuges, fabrics for filtration equipment, Valley Foundry presses and associated equipment.

Schutte & Koerting
2233 State Road
Bensalem, Pennsylvania 19020
(215) 639-0900
Jet apparatus, flow measuring instruments, valves and desuperheaters.

Industrial Materials Group

Aluminum Extrusion
3042 Treadwell Street
Los Angeles, California 90065
(213) 255-1511
Extruded and custom-finished aluminum for automotive aircraft, appliance and communications industries.

Plymouth Products
502 Indiana Avenue
Sheboygan, Wisconsin 53081
(414) 457-9435
Proprietary plastic products for utility and traffic control uses; custom molding for original equipment manufacturers.

Carsonite
2900 Lockheed Way
Carson City, Nevada 89701
(702) 883-5104
Produces composite materials components for highway, utility and recreation areas.

Composite Materials
2900 Blue Star Street
Anaheim, California 92806
(714) 632-9790
Engineering guidance in the use of composite materials.

Westchester Plastics
Green Acres Industrial Park
Nesquehoning, Pennsylvania 18240
(717) 645-2191
Custom-formulated industrial plastic compounds.

Special Filaments
8335 Telegraph Road
Odenton, Maryland 21113
(301) 569-4500
Monofilaments and thermoplastic materials.

Microfoam
265 Route 202
Chadds Ford, Pennsylvania 19317
(215) 358-1180
Produces low-density polypropylene foam packaging materials.

Haveg
900 Greenbank Road
Wilmington, Delaware 19808
(302) 995-0400
Corrosion-resistant tanks, towers, valves and piping.

Specialty Metal Products
21 Toelles Road
Wallingford, Connecticut 06492
(203) 265-6731
High-purity metals and alloys in powdered and strip form for use in electronics and metal fabrication.

Research & Development

Microelectronics
605 S. Douglas Street
El Segundo, California 90245
(213) 640-2860
Semiconductor chip design and processing, components for solid-state instruments.

Computer Research
Monrovia, California

Electrical Systems
Kent, Ohio

Electronic Systems
Harleysville, Pennsylvania

Photovoltaic/Applied Materials
Harleysville, Pennsylvania

Superconductivity Research
Developing and testing different superconductive materials for potential commercial applications.

Subsidiaries & Affiliates:

AMETEK (Canada) Ltd.
Montreal, Quebec, Canada
Laundry equipment for commercial, hospital and hotel installations; drycleaning equipment.

AMETEK, G.m.b.H.
Wiesbaden, West Germany
Management and marketing for AMETEK's foreign operations.

Ketema, Ltd.
Hamilton, Bermuda

Metron, S.A.
Naucalpan de Juarez, Mexico
AMETEK-licensed instruments in Latin America.

Sensor Labs, Inc.
A California-based manufacturer of solid-state thermistors which respond electronically to temperature changes.

Acquisition:

AMETEK Aerospace Products, Inc.
Wilmington, Massachusetts
A producer of aircraft instrumentation and components.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Stock Exchange(s): New York, Pacific

Ticker Symbol: AME

Number of Employees:

1989	5,900	1986	4,200
1988	5,200	1985	4,400
1987	4,700		

Plant Footage:

1989	3,800,000 sq. ft.	1987	4,488,000
1988	4,488,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 587,844,000	$ 38,296,000
1988	520,496,000	30,600,000
1987	431,112,000	41,175,000
1986	391,944,000	36,584,000
1985	325,298,000	34,935,000

	No. of Com. Shares ‡	Earn. per Share †
1989	44,268,000	$ 0.87
1988	44,020,000	0.70
1987	43,924,000	0.94
1986	43,809,000	0.83
1985	44,033,000	0.80

‡ Adjusted to reflect stock split.
† Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Electro-mechanical	$ 199,491,000	$ 211,662,000
Precision instruments	218,494,000	151,564,000
Industrial materials	169,859,000	155,626,000
Other	—	1,644,000
Total	$ 587,844,000	$ 520,496,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.620	—	—
1988	0.700	—	
1987	0.525	—	2-for-1
1986	0.500	—	—
1985	0.425	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 194,879,000	$ 4.40
1988	180,923,000	4.11
1987	252,924,000	5.76
1986	231,067,000	5.27
1985	219,693,000	4.99

‡ Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 587,844,000	$ 520,496,000
Cost of sales	444,004,000	388,027,000
Expenses	66,057,000	63,590,000
Depreciation	17,557,000	15,263,000
Interest expense	15,234,000	12,968,000
Other income	(15,691,000)	(15,142,000)
Income before taxes	$ 60,683,000	$ 55,790,000
Income taxes	22,387,000	20,687,000
Inc.-cont. oper.	$ 38,296,000	$ 35,103,000
Loss-discont. oper.	—	(8,136,000)
Cum. effect of acct. change	—	3,633,000
Net Income	$ 38,296,000	$ 30,600,000

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 84,442,000	$ 9,492,000
Market. securities	31,401,000	106,612,000
Accts. receiv., net	90,691,000	70,062,000
* Inventories	105,580,000	59,808,000
Other curr. assets	4,111,000	4,757,000
Current Assets	$ 316,225,000	$ 250,731,000
# Fixed assets	152,974,000	131,132,000
Other assets	94,114,000	66,396,000
Total Assets	$ 563,313,000	$ 448,259,000

Liabilities

Short-term debt & long-term debt, curr.	$ 9,891,000	$ 8,178,000
Accts. payable	39,127,000	32,600,000
Accruals	45,271,000	30,119,000
Income taxes	6,864,000	3,756,000
Curr. Liabilities	$ 101,153,000	$ 74,653,000
Long-term debt	219,627,000	148,829,000
Deferred inc. taxes	29,838,000	30,189,000
Long-term liabilities	17,816,000	13,665,000
+ Common stock	46,414,000	46,172,000
Add. paid-in capital	3,504,000	937,000
Retained earnings	161,245,000	150,364,000
Net unreal. gains	959,000	730,000
Treasury stock	(17,243,000)	(17,280,000)
Total Liabilities & Shareholders' Equity	$ 563,313,000	$ 448,259,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	10.32	—
% Net Income to Sales	6.51	—
% Net Income to Equity	19.65	16.91
Sales to Inventories	5.57	8.70
Debt to Equity	1.18	0.87
Working Capital	$ 215,072,000	$ 176,078,000
Current Ratio	3.13	3.36
Shareholders' Equity	$ 194,879,000	$ 180,923,000

Amoco Corporation

200 East Randolph Drive
Chicago, Illinois 60601
(312) 856-6111
FAX: (312) 856-2460

Officers: Richard M. Morrow, chairman of the board; H. Laurance Fuller, president; Richard H. Leet, exec. v.p.; Rady A. Johnson, v.p.-public & government affairs; George S. Spindler, v.p. & general counsel; Richard L. Fischer, v.p.-government affairs; Frederick S. Addy, v.p.-finance; William R. Hutchinson, v.p. & treasurer; Ronald E. Callahan, secretary; R. Wayne Anderson, v.p.-human resources; John R. Lyman, v.p.-planning & economics; William J. Montgomery, v.p.-supply; Walter R. Quanstrom, v.p.-environmental affairs & safety; Robert D. Cadieux, pres.-Amoco Chemical Company; Patrick J. Early, pres.-Amoco Production Company; Lawrason D. Thomas, pres.-Amoco Oil Company.

Directors: Richard M. Morrow*, chairman; Arthur E. Rasmussen, Robert H. Malott, Richard D. Wood, Karl D. Bays, Richard J. Ferris, H. Laurance Fuller*, John H. Bryan, Jr., Walter E. Massey, Richard H. Leet*, Ruth S. Block.

* Member of the Executive Committee

Areas of Work: Through its Amoco Technology Company subsidiary, a parent organization for five technology-based companies, the Company manufactures compact solid-state laser devices, complete excimer laser systems that produce ultraviolet light and are used primarily by semiconductor manufacturers, semicrystalline and amorphous silicon modules that produce electricity directly from sunlight; develops and markets computer software systems for the biotechnology industry, and is developing diagnostic detection systems based on nucleic acid probes.

Other major company activities include crude oil and natural gas exploration, production, purchasing, and transportation; manufacturing, transporting and marketing petroleum products, including chemicals, polymers, plastics and fertilizers; interests in minerals and real estate; the operation of two insurance companies; and the production of synthetic fabrics.

Electronics-related Subsidiaries:

Amoco Technology Company

Solarex Corporation
Rockville, Maryland
Manufactures both semicrystalline and amorphous silicon modules that produce electricity directly from sunlight.

Amoco Laser Company
Naperville, Illinois
Manufactures compact solid-state laser devices.

XMR Inc.
Santa Clara, California
Manufactures complete excimer laser systems that produce ultraviolet light and are used primarily by semiconductor manufacturers.

IntelliGenetics
Mountain View, California
Develops and markets computer software systems for the biotechnology industry.

GENE-TRAK Systems (50%-owned)
Developing diagnostic detection systems based on nucleic acid probes.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
P.O. Box 469
Washington Bridge Station
New York, New York 10033

The First National Bank of Chicago
Stock Transfer Dept., 0122
One First National Plaza
Chicago, Illinois 60670

The National Trust Company
Stock Transfer
4 King Street West
Toronto, Ontario M5H 3W7, Canada

Stock Exchange(s): New York, Midwest

Ticker Symbol: AN

Number of Employees:

1988	53,423	1985	49,545
1987	46,774	1984	53,581
1986	46,775		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 23,966,000	$ 1,610,000
1988	21,150,000	2,063,000
1987	20,174,000	1,360,000
1986	18,281,000	747,000
1985	26,924,000	1,953,000

	No. of Com. Shares †	Earn. per Share #
1989	511,528,000	$ 3.12
1988	517,066,000	4.00
1987	515,269,000	2.65
1986	511,402,000	1.45
1985	517,456,000	3.71

† Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1989	1988
Petroleum industry:		
Explor. & prod.	$ 3,399,000	$ 3,342,000
Refining, mktng. & trans.	18,736,000	15,994,000
Chemical industry	4,274,000	4,205,000
Other industries	135,000	107,000
Unallocated	216,000	271,000
Total	$ 26,760,000	$ 23,919,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.90	—	—
1988	1.75	—	
1987	1.65	—	—
1986	1.65	—	—
1985	1.65	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 13,684,000	$ 26.75
1988	13,342,000	25.80
1987	12,107,000	23.50
1986	11,324,000	22.14
1985	11,588,000	22.39

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales & other revenues	$ 23,966,000	$ 21,150,000
Consumer excise taxes	2,381,000	2,402,000
Other income	413,000	367,000
Total income	$ 26,760,000	$ 23,919,000
Cost of sales	10,619,000	8,471,000
Expenses	6,994,000	6,148,000
Taxes	3,224,000	3,207,000
Depreciation, depletion & amortization	2,500,000	2,318,000
Interest expense	728,000	468,000
Income bef. taxes	$ 2,695,000	$ 3,307,000
Income taxes	1,085,000	1,244,000
Net Income	$ 1,610,000	$ 2,063,000

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 231,000	$ 233,000
Marketable securities	949,000	294,000
Accts. & notes receiv., net	3,606,000	3,341,000
*Inventories	1,112,000	1,065,000
Prepaid expenses	530,000	460,000
Current Assets	$ 6,428,000	$ 5,393,000
Investments & other assets	1,355,000	1,431,000
#Fixed assets	22,647,000	23,095,000
Total Assets	$ 30,430,000	$ 29,919,000

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 257,000	$ 225,000
Short-term borrowings	483,000	444,000
Accts. payable	3,114,000	2,909,000
Accruals	1,162,000	984,000
Income taxes payable	872,000	906,000
Curr. Liabilities	$ 5,888,000	$ 5,468,000
Long-term debt	5,394,000	5,759,000
Cap. lease oblig.	264,000	290,000
Deferred credits	5,187,000	5,054,000
Minority interest	13,000	6,000
+ Common stock	2,178,000	2,208,000
Retained earnings	11,536,000	11,172,000
For. curr. trans. adj.	(30,000)	(38,000)
Total Liabilities & Shareholders' Equity	$ 30,430,000	$ 29,919,000

* At lower of current market value or cost. Crude oil, petroleum prods., chemical prods. at LIFO. All others at FIFO or average.
# Less accumulated depreciation, depletion and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales & Revenues	11.25	15.64
% Net Income to Sales & Revenues	6.72	9.75
% Net Income to Equity	11.77	15.46
Debt to Equity	0.47	0.50
Working Capital (000's)	$ 540,000	—
Current Ratio	1.09	—
Shareholders' Equity (000's)	$ 13,684,000	$ 13,342,000

AMP Incorporated/Pamcor, Inc.

470 Friendship Road
P.O. Box 3608
Harrisburg, Pennsylvania 17105-3608
(717) 564-0100
FAX: (717) 986-7605

Officers: Harold A. McInnes, chairman of the board & chief executive officer; Herman Gilissen, v.p.-development engineering, Europe; James E. Marley, president & chief operating officer & director; Nazario Proietto, v.p.-European operations; Ted L. Dalrymple, v.p.-director of marketing; Javad K. Hassan, v.p.-Technology; Mark L. Miller, treasurer; Earl Hennenhoefer, v.p.-Printed Circuit Board Products; Benjamin Savidge, exec. v.p. & chief financial officer; Lincoln S. Miller, Jr., v.p.-operations; James T. Gavin, controller; William J. Hudson, v.p.-Asia/Pacific; Gerhard M. Schmidt, v.p.-European operations; Philip G. Guarneschelli, v.p.-human resources; John E. Gurski, v.p.-Capital Goods Sector; Merrill A. Yohe, secretary; Jay Seitchik, general patent counsel.

Directors: Joseph M. Hixon, Dexter F. Baker, R. E. Jordan, Walter F. Raab*, R. D. DeNunzio, Benjamin Savidge, J. J. Burdge, Harold A. McInnes*, William S. West, C. J. Fredricksen*, W. E. C. Dearden, James E. Marley*, S.S. Auchincloss, J.D. Brenner, R.M. Brumfield.

* Member of the Executive Committee

Areas of Work: The company produces electrical and electronic connection, switching and programming devices - including solderless terminals, splices, packaging and interconnection devices, multiple and coaxial connectors, switches and programming systems - and the application tools and machines to attach these devices to wires, cables, or circuit boards. It also produces electronic power units and other electrical/electronic components.

Subsidiaries:

AMP Products Corporation
Valley Forge, Pennsylvania

AMP Packaging Systems, Inc.
Austin, Texas

Carroll Touch, Inc.
Austin, Texas

Mark Eyelet, Inc.
Wolcott, Connecticut

Garry Screw Machine Corporation
New Brunswick, New Jersey

Lytel Corporation
Somerville, New Jersey

Matrix Science Corporation
Torrance, California

AMP of Canada, Ltd.
Toronto, Canada

AMP de France S.A.
Paris, France

AMP-Holland B.V.
's-Hertogenbosch, The Netherlands

AMP of Great Britain Limited
London, England

AMP Italia S.p.A.
Turin, Italy

AMP Deutschland G.m.b.H.
Frankfurt, West Germany

AMP Espanola, S.A.
Barcelona, Spain

AMP (Japan) Ltd.
Tokyo, Japan

Australian AMP Pty. Limited
Sydney, Australia

AMP de Mexico, S.A.
Mexico City, D.F., Mexico

AMP S.A. Argentina
Buenos Aires, Argentina

AMP Finland Oy
Helsinki, Finland

AMP do Brasil Ltda.
Sao Paulo, Brazil

AMP (Schweiz) A.G.
Steinach, Switzerland

AMP Osterreich Handelsgas, m.b.H.
Vienna, Austria

AMP Norge A/S
Oslo, Norway

AMP Svenska AB
Stockholm, Sweden

AMP Singapore Pte. Ltd.
Singapore

Decolletage S.A. St.-Maurice
St. Maurice, Switzerland

AMP Taiwan
Taipei, Taiwan

AMP Belgium*
Brussels, Belgium

AMP Danmark*
Viby, Denmark

AMP Products Pacific Ltd.
Hong Kong

AMP Ireland Limited
Dublin, Ireland

AMP Portugal, LDA.
Lisbon, Portgual

New Zealand AMP Ltd.
Auckland, New Zealand

AMP Korea
Seoul, South Korea

* Branch of AMP-Holland B.V.

Lytel Incorporated
Somerville, New Jersey

Matrix Science Corporation
Torrance, California

Joint Venture:

AMP/Akzo JV, Inc. (50/50)
Riverhead, New York

Transfer Agent(s):

Manufacturers Hanover Trust Company
Securityholder Relations Dept.
P.O. Box 24935
Church Street Station
New York, New York 10249

The Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: AMP

Number of Employees:

1989	24,400	1986	21,800
1988	24,100	1985	22,800
1987	22,000		

Plant Footage:

1989	9,000,000 sq. ft	1986	8,900,000
1988	9,000,000	1985	9,000,000
1987	8,900,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 2,796,636,000	$ 280,907,000
1988	2,669,661,000	319,123,000
1987	2,317,753,000	249,671,000
1986	1,933,055,000	164,345,000
1985	1,636,112,000	108,003,000

	No. of Com. Shares	Earn. per Share ‡
1989	106,500,000	$ 2.63
1988	107,400,000	2.96
1987	107,500,000	2.31
1986	108,100,000	1.52
1985	107,900,000	1.00

‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.20	—	—
1988	1.00	—	
1987	0.85	—	—
1986	0.74	—	—
1985	0.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,623,433,000	$ 15.27
1988	1,521,264,000	14.16
1987	1,348,623,000	12.55
1986	1,134,865,000	10.50
1985	996,900,000	9.24

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 2,796,636,000	$ 2,669,661,000
Cost of sales	1,816,821,000	1,672,718,000
Expenses	505,191,000	467,045,000
Interest expense	21,592,000	16,185,000
Other income	(2,255,000)	(15,510,000)
Income before taxes	$ 455,287,000	$ 529,223,000
Income taxes	174,380,000	210,100,000
Net Income	$ 280,907,000	$ 319,123,000

* Included in Costs and Expenses, Depreciation and Amortization: $180,270,000 in 1989 and $158,511,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 309,164,000	$ 247,788,000
Marketable securities	25,001,000	83,843,000
Receiv., net	520,028,000	472,037,000
* Inventories	494,803,000	481,600,000
Deferred inc. taxes	56,144,000	45,603,000
Other curr. assets	32,098,000	32,254,000
Current Assets	$ 1,437,238,000	$ 1,363,125,000
Investments & other assets	138,766,000	117,845,000
# Fixed assets	953,755,000	894,567,000
Total Assets	$ 2,529,759,000	$ 2,375,537,000

Liabilities

	1989	1988
Short-term debt	$ 214,512,000	$ 141,927,000
Accts. payable	224,924,000	224,055,000
Accrued payroll	114,585,000	107,906,000
Accrued inc. taxes	129,765,000	148,732,000
Other accruals	41,711,000	39,619,000
Curr. Liabilities	$ 725,497,000	$ 662,239,000

Long-term debt	69,500,000	82,847,000
Invest. tax credit	—	7,328,000
Deferred inc. taxes	71,609,000	66,388,000
Other liabilities	37,720,000	35,471,000
+ Common stock	12,480,000	12,480,000
++ Common stock	20,000	20,000
Add. paid-in capital	77,156,000	77,109,000
Cum. trans. adj.	67,911,000	74,997,000
Retained earnings	1,622,535,000	1,470,118,000
Treasury stock	(155,069,000)	(113,460,000)
Total Liabilities & Shareholders' Equity	$ 2,529,759,000	$ 2,375,537,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value, AMP Incorporated.
++ $1 par value, Pamcor, Inc.

Statistical Summary

%Income before Taxes to Sales	16.28	19.82
%Net Income to Sales	10.04	11.95
%Net Income to Equity	17.28	20.98
Sales to Inventories	5.65	5.54
Debt to Equity	0.17	0.15
Working Capital	$ 700,886,000	$ 508,852,000
Current Ratio	2.06	1.60
Shareholders' Equity	$ 1,625,433,000	$ 1,521,264,000

Analog Devices, Inc.

One Technology Way
P.O. Box 9106
Norwood, Massachusetts 02062-9106
(617) 329-4700
FAX: (617) 326-8703

Officers: Ray Stata, chairman of the board & president; Joseph M. Hinchey, sr. v.p.-finance; Douglas H. Newman, v.p.-sales & marketing; Arnold Kanarick, v.p.-human resources; Jerald G. Fishman, exec v.p.; Joseph E. McDonough, v.p. & treasurer; Melvin J. Sallen, sr. v.p.; Paul P. Brountas, clerk.

Directors: Ray Stata, chairman; Philip L. Lowe, Joel Moses, Gordon C. McKeague, Morris Chang, John L. Doyle, Lester C. Thurow.

Areas of Work: Designs, manufactures and markets electronic components and subsystems used for the acquisition, conditioning, conversion, transmission and display of analog and digital data in precision measurement and control systems. Linear integrated circuits account for the majority of the Company's sales. These devices acquire, condition, amplify and otherwise process signals from real-world sensors while the information is in analog form, convert the information to a digital form that can be read by a microprocessor or computer, and further process the signals after conversion to digital form. Sold predominantly to original equipment manufacturers (OEMs), these products are incorporated into instruments and systems used in a wide variety of end-use applications, including engineering, laboratory automation, industrial automation, defense/avionics, communications, and computers and peripherals.

Divisions:

Analog Devices Semiconductor
Microelectronics Division
Computer Labs Division
Component Test Systems
Interface Products Division

Analog Devices Enterprises
Venture capital division.

Field Service Division

Digital Signal Processing - Development Labs

ADventures Limited Partnership
Small limited partnership in which ADI makes investments on behalf of another company.

Digital Signal Processing Division

Industrial Automation Division

Subsidiaries:

Analog Devices Limited
Central Avenue
East Molesey
Surrey KT8 OSN, England

Analog Devices, GmbH
Edelsbergstrasse 8-10
D-8000 Munich 21, West Germany

Analog Devices, S.A.
204 SILIC
12, Rue Le Corbusier
Batiment "Iena"
94518 Rungis Cedex, France

Analog Devices KK
Daini Jibiki Building
7-8 Kojimachi 4-chome
Chiyoda-ku, Tokyo, Japan

Analog Devices, APS
Huer Kaer 20
2730 Herlev, Denmark

Analog Devices Nederland, B.V.
Beneluxweg 27
4904 SJ Oosterhout, The Netherlands

Analog Devices, HDLSGESMBH M.B.H.
Meissgosse 51
A-1238 Vienna, Austria

Analog Devices International, Inc.
Justitiestraat 18
2018 Antwerp, Belgium

Analog Devices S.A.
9 Rue de Berne
1201 Geneva, Switzerland

Analog Devices SRL
Via Medardo Rosso 18
20159 Milano, Italy

Analog Devices (Israel), Ltd.
6 Borochov Street
Raananna, Israel 43433

Analog Devices AB
Mariehallsvagen 42
Box 20093
S-16120 Bromma, Sweden

Analog Devices (Philippines), Inc.
Edison Avenue, KM-14
S. Expressway
Parangue, Metro Manila, Philippines

Analog Devices K.K. Tech Center
3210-2 Kawajiri Shiroyama-Cho
Tsukui-Gun Kanagawa, Japan

Analog Devices, B.V.
Analog Devices Holdings B.V.
Analog Devices Foreign Sales Corporation, B.V.
The Netherlands

Memory Devices. Limited
Great Britain

Analog Devices International Sales Corporation

Transfer Agent(s)

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: ADI

Number of Employees:

1989	5,200
1988	5,347
1987	5,219
1986	4,959
1985	4,789

Plant Footage:

1989	N.A.
1988	966,200 sq. ft.
1987	939,500
1986	937,500
1985	906,800

N.A.-Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 453,372,000	$ 27,871,000
1988	439,206,000	37,989,000
1987	370,430,000	18,679,000
1986	334,437 000	23,406,000
1985	322,423,000	29,748,000

	No. of Com. Shares #	Earn. per Share #
1989	48,273,000	$ 0.58
1988	47,676,000	0.80
1987	46,592,000	0.40
1986	46,026,000	0.51
1985	45,607,000	0.65

# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	4-for-3
1985	—	—	5-for-4

Common Stock Equity

	Total Equity †	Equity Per Share #
1989	$ 361,038,000	$ 7.57
1988	329,549,000	7.07
1987	278,202,000	6.29
1986	248,041,000	5.88
1985	209,717,000	5.23

† After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock splits.

Income Account *

Year ended	12/28/89	10/29/88
Net sales	$ 453,372,000	$ 439,206,000
Cost of sales	215,117,000	200,817,000
Expenses	194,485,000	182,980,000
Invest. valuation	7,799,000	2,153,000
Interest expense (income)	(632,000)	1,082,000
Currency	87,000	(143,000)
Other expense	157,000	685,000
Income before taxes	$ 36,359,000	$ 51,632,000
Income taxes	8,488,000	13,643,000
Net Income	$ 27,871,000	$ 37,989,000

* Included in Costs and Expenses, Depreciation and Amortization: $41,522,000 in 1989 and $36,608,000 in 1988.

Assets

As of	10/28/89	10/29/88
Cash & cash equiv.	$ 30,145,000	$ 22,682,000
Accts. receiv., net	81,738,000	87,917,000
*Inventories	97,520,000	97,391,000
Prepaid inc. taxes	9,790,000	9,341,000
Prepaid expenses	3,852,000	3,938,000
Current Assets	$ 223,045,000	$ 221,269,000

# Fixed assets	208,695,000	200,683,000
Investments	17,082,000	23,352,000
Exc. of cost over assets acq.	1,105,000	1,683,000
Defer. charges & other assets	2,590,000	2,381,000
Total Assets	$ 452,517,000	$ 449,368,000

Liabilities

Short-term borrowings & long-term debt, curr.	$ 7,483,000	$ 4,605,000
Oblig. under cap. leases, curr.	2,228,000	3,836,000
Accts. payable	26,313,000	30,512,000
Accruals	23,149,000	23,007,000
Income taxes	4,018,000	10,839,000
Curr. Liabilities	$ 63,191,000	$ 72,799,000
Long-term debt	10,477,000	18,914,000
Oblig. under cap. leases	1,727,000	4,069,000
Deferred inc. taxes	12,120,000	10,964,000
Other liabilities	1,637,000	1,424,000
+Preferred stock	2,000	12,000
++Common stock	8,142,000	7,811,000
Add. paid-in capital	131,096,000	129,833,000
Retained earnings	233,016,000	205,145,000
Foreign currency translation	3,184,000	4,822,000
Treasury stock	(12,075,000)	(6,425,000)
Total Liabilities & Shareholders' Equity	$ 452,517,000	$ 449,368,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.
++ $0.16 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.02	11.76
%Net Income to Sales	6.15	8.65
%Net Income to Equity	7.67	11.13
Sales to Inventories	4.65	4.51
Debt to Equity	0.06	0.09
Working Capital	$ 159,854,000	$ 148,470,000
Current Ratio	3.53	3.04
Shareholders' Equity	$ 363,365,000	$ 341,198,000

Analogic Corporation

8 Centennial Drive
Peabody, Massachusetts 01961
(508) 977-3000
FAX: (508) 531-0567

Officers: Bernard M. Gordon, chairman of the board & president; Bernard L. Friedman, vice chairman; John A. Tarello, sr. v.p. & treasurer; M. Ross Brown, v.p.; Jacob H. Lieberman, v.p.; Julian Soshnick, v.p. & general counsel; Daniel Birkner, Division & Operating vice president; Edmund F. Becker, Jr., Division & Operating vice president; Robert H. French, Division & Operating vice president; Orton Wisegarver, Division & Operating vice president; Sorin Marcovici, Division & Operating vice president; Thomas J. Dempsey, Division & Operating vice president; Leopold Neumann, Division & Operating vice president; Thomas F. Charlebois, Division & Operating vice president; Martin S. Gordon, Division & Operating vice president; Gary J. Gross, Division & Operating vice president; Michael Rasmussen, v.p.-software engineering.

Directors: Bernard M. Gordon, chairman; Bernard L. Friedman, M. Ross Brown, John A. Tarello, Jules J. Schwartz, Gerald L. Wilson, Vessarios Chigas, Julian Soshnick.

Areas of Work: Engaged in the design, manufacture, and marketing of advanced precision data conversion, and computer-based signal processing instruments and equipment, which are used to acquire, condition, translate, compute, interpret, store, transmit, or display critical data in modern industrial, scientific, medical, communications and other system applications.

Subsidiaries:

Analogic Limited
Ascot House, Doncastle Road
Bracknell, Berkshire RG12 4PE England

Analogic Foreign Sales Corp.
St. Thomas 00801 U.S. Virgin Islands

Analogic GmbH
Siemensstrasse 13
6200 Weisbaden
Nordenstadt, West Germany

3H Industries, Inc.
1289 Hammerwood Drive
Sunnyvale, California 94086

Computer Design & Applications, Inc.
8 Centennial Drive
Peabody, Massachusetts 01961
Manufactures electronic imaging equipment.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOG (NASDAQ)

Plant Footage:

1989	N.A.	1988	404,000 sq. ft.

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income †
1989	$ 127,941,000	$ 14,518,000
1988	113,516,000	1,164,603
1987	128,991,000	14,527,916
1986	126,771,000	10,074,975
1985	128,757,000	9,939,677

	No. of Com. Shares +	Earn. per Share +†
1989	14,952,000	$ 0.97
1988	16,429,000	0.07
1987	18,104,000	0.80
1986	18,981,000	0.53
1985	18,784,000	0.53

† Including extraordinary gain of $441,000 ($0.02 per share) in 1985.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 146,525,000	$ 9.80
1988	138,524,495	8.43
1987	151,567,775	8.37
1986	157,335,085	8.29
1985	142,185,302	7.57

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended July 31	1989	1988
Revenues:		
Prod. & serv	$ 127,941,000	$ 113,515,630
Eng. & lic.	4,848,000	6,842,065
Gain on sale	7,513,000	10,232,724
Int. income	4,622,000	3,757,705
Total revenues	$ 144,924,000	$ 134,348,124
Cost of sales	81,438,000	85,147,577
Expenses	42,336,000	44,643,507
Interest expense	997,000	1,240,266
Plant moving costs	—	431,351
Other expense (income)	(1,167,000)	870,820
Income before taxes	$ 21,320,000	$ 2,014,603
Income taxes	6,802,000	850,000
Net Income	$ 14,518,000	$ 1,164,603

* Included in Costs and Expenses, Depreciation and Amortization: $7,006,000 in 1989 and $7,308,816 in 1988.

Assets

As of July 31	1989	1988
Cash	$ 10,977,000	$ 17,561,574
Market. securities	54,564,000	35,565,713
Accts. receiv. - trade, net	27,410,000	24,385,510
Accts. receiv. - affil.	726,000	1,321,053
Install. sale receiv.	—	8,004,912
* Inventories	36,328,000	36,544,289
Prepaid expenses	2,486,000	2,596,806
Current Assets	$ 132,491,000	$ 125,979,857
# Fixed assets	42,839,000	45,484,524
Invest. in affil. co.	4,290,000	2,489,369
Other assets	1,652,000	1,810,615
Total Assets	$ 181,272,000	$ 175,764,365

Liabilities

Note payable, bank	$ 1,978,000	$ 1,957,778
Cap. lease oblig., curr.	367,000	363,077
Accts. payable	4,918,000	6,485,369
Accruals	6,949,000	5,627,427
Accrued taxes	3,940,000	5,324,743
Cust. deposits	9,000	484,000
Curr. Liabilities	$ 18,161,000	$ 20,242,394
Mortg. note pay	6,536,000	6,689,366
Oblig. under cap. leases	5,019,000	5,396,071
Deferred inc. taxes	3,875,000	4,526,910
Exc. of acq. assets over cost	1,156,000	385,129
+ Common stock	800,000	800,069
Add. paid-in capital	38,480,000	38,640,761
Retained earnings	118,540,000	104,022,333
Treasury stock	(9,865,000)	(2,931,411)
Unearned compensation	(1,430,000)	(2,007,257)
Total Liabilities & Shareholders' Equity	$ 181,272,000	$ 175,764,365

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Revenues	14.71	1.50
%Net Income to Revenues	10.02	0.87
%Net Income to Equity	9.91	0.84
Debt to Equity	0.09	0.10
Working Capital	$ 114,330,000	$ 105,737,463
Current Ratio	7.30	6.22
Shareholders' Equity	$ 146,525,000	$ 138,524,495

Anaren Microwave, Inc.

6635 Kirkville Road
East Syracuse, New York 13057
(315) 432-8909
FAX: (315) 432-9121

Officers: Hugh A. Hair, president & chief exec. officer; Carl W. Gerst, Jr., exec. v.p. & chief operating officer; Michael G. Rowe, treasurer & chief financial officer; Tom B. Burgher, II, v.p.-marketing; William J. Mackay, secretary.

Directors: Hugh A. Hair, Carl W. Gerst, Jr., William J. Mackay, Abraham Manber, Solomon Manber.

Areas of Work: Designs, engineers and manufactures microwave components and completely integrated microwave assemblies used in sophisticated microwave installations. The Company's microwave componentry is utilized in navigation, fire-control radar, electronic countermeasures, electronic surveillance, telemetry, instrumentation and communications systems.

Subsidiaries:

Anaren Microwave, Ltd.
Unit 2, Blackwater Way
Aldershot Hants, GU12 4DK England

Anaren International, Inc.
East Syracuse, New York

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANEN (NASDAQ)

Number of Employees:

1989	325	1988	350

Plant Footage:

1989	105,000 sq. ft.	1986	105,000
1988	105,000	1985	105,000
1987	105,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 22,749,203	$ (1,878,247)
1988	24,504,027	200,066
1987	29,039,266	1,815,959
1986	32,779,053	3,233,648
1985	28,627,566	2,529,274

	No. of Com. Shares #	Earn per Share #
1989	4,307,470	$ —
1988	4,241,664	0.05
1987	4,209,308	0.43
1986	4,209,115	0.77
1985	4,208,262	0.60

(Loss)
Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
MIC's & components	$ 6,392,000	$ 8,780,000
DFD's	9,544,000	11,290,000
ESM reveivers & special proj.	6,813,000	4,434,000
Total	$ 22,749,000	$ 24,504,000

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 25,861,152	$ 6.00
1988	27,394,024	6.46
1987	26,944,241	6.40
1986	25,128,282	5.97
1985	21,889,121	5.20

Based on the weighted average number of shares outstanding.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 22,749,203	$ 24,504,027
Cost of sales	18,442,992	16,310,986
Expenses	7,759,341	7,828,580
Interest expense	332,074	331,566
Other income	(298,957)	(296,671)
Inc. (loss) bef. taxes	$ (3,486,247)	$ 329,566
Income taxes (credit)	(1,608,000)	129,500
Net Income (Loss)	$ (1,878,247)	$ 200,066

* Included in Costs and Expenses, Depreciation and Amortization: $1,230,421 in 1989 and $1,455,119 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 1,238,110	$ 3,227,220
Short-term invest.	854,669	855,848
Receiv., net	8,880,506	7,629,193
Refund. inc. taxes	1,486,635	636,170
* Inventories	12,798,074	13,274,288
Prepaid expenses	90,567	100,715
Current Assets	$ 25,348,561	$ 25,723,434
# Fixed assets	7,138,163	7,709,759
Other assets	95,849	105,788
Total Assets	$ 32,582,573	$ 33,538,981

Liabilities

	1989	1988
Long-term debt, curr.	$ 545,333	$ 529,455
Accts. payable	1,298,064	1,305,913
Accruals	387,230	678,210
Curr. Liabilities	$ 2,230,627	$ 2,513,578
Deferred in. taxes	824,127	999,640
Long-term debt	3,666,667	2,631,739
+ Common stock	45,501	44,763
Add. paid-in capital	14,411,721	14,067,084
Retained earnings	11,570,393	13,448,640
Treasury stock	(166,463)	(166,463)
Total Liabilities & Shareholders' Equity	$ 32,582,573	$ 33,538,981

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	—	1.34
%Net Income to Sales	—	0.82
%Net Income to Equity	—	0.73
Sales to Inventories	1.78	1.85
Debt to Equity	0.16	0.12
Working Capital	$ 23,117,934	$ 23,209,856
Current Ratio	11.36	10.23
Shareholders' Equity	$ 25,861,152	$ 27,394,024

Andersen Group, Inc.

1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761
FAX: (203) 242-9876

Officers: Oliver R. Grace, Francis E. Baker, president; Kenneth T. Kelley, v.p. & general counsel; Tom D. Fielding, treasurer & controller; Elmer J. Dahl, secretary; Martin H. Andersen, asst. secretary; Franklin R. Stoner, director-personnel; Bernard F. Travers, director-taxation.

Directors: Oliver R. Grace*, Francis E. Baker*, Joseph F. Engelberger, Ratus L. Kelly, Louis Lubrano, Oliver R. Grace, Jr.*, James J. Pinto, Richard H. Gordon.

* Member of the Executive Committee

Areas of Work: Develops, produces and markets electronic signal processing products and medical products and services.

Subsidiaries:

Microtime, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-4242

Develops, manufactures and sells video signal processing equipment to the professional broadcasting, cable, industrial and educational markets. Products include time base correctors, synchronizers, digital video effects, and computer graphics equipment.

AGI Properties, Inc.

AGI Export, Inc.
Foreign Sales Corporation (FSC).

Transfer Agent(s):

Citytrust (common stock & debentures)
961 Main Street
Bridgeport, Connecticut 06601

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANDR (NASDAQ)

Number of Employees:

1990	107	1986	571
1988	N.A.	1985	556
1987	539		

Plant Footage:

1989	108,000 sq. ft.	1986	107,000
1988	N.A.	1985	107,000
1987	107,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1990	$ 1,368,000	$ 4,337,403
1989	396,000	3,612,005
1988	3,000	(8,744,182)
1987	4,000	52,096
1986	116,000	(1,224,000)

	No. of Com. Shares	Earn. per Share ‡
1990	1,765,665	$ 2.44
1989	1,765,165	2.07
1988	1,789,165	—
1987	1,789,165	0.03
1986	1,789,165	—

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 13,431,000	$ 7.61
1989	9,091,000	5.15
1988	5,856,000	3.27
1987	14,600,000	8.16
1986	14,548,000	8.13

Income Account *

Year ended Feb. 28	1990	1989
Revenues:		
Rental income	$ 410,630	$ 189,615
Invest. income	759,120	187,389
Other	197,852	19,440
Total revenues	$ 1,367,602	$ 396,444

Cost of revenues	342,416	167,321
Expenses	1,898,713	1,468,142
Interest expense	1,244,202	1,453,936
Loss bef. taxes	$ (2,117,729)	$ (2,692,955)
Tax credit	(699,000)	(270,000)
Loss-cont. oper.	$ (1,418,729)	$ (2,422,955)
Inc.-cont. oper.	5,756,132	6,034,960
Net Income	$ 4,337,403	$ 3,612,005

* Included in Costs and Expenses, Depreciation and Amortization: $1,451,905 in 1990 and $1,827,634 in 1989.

Assets

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 21,908,797	$ 8,959,976
Investments	6,544,376	—
Accts. receiv., net	3,767,021	8,187,979
*Inventories	2,295,465	3,997,300
#Fixed assets	3,434,953	5,108,373
Other assets	2,492,017	2,723,352
Total Assets	$ 40,442,629	$ 28,976,980

Liabilities

Long-term debt	$ 13,519,136	$ 12,605,344
Accts. payable	1,209,601	1,712,100
Accruals	4,482,502	3,223,804
Accrual for acq. of min. int.	1,738,435	38,760
Accrued income taxes	3,396,940	975,550
Deferred inc. taxes	2,665,000	150,000
Minority interest	—	1,180,335
+Common stock	2,090,596	2,088,071
Add. paid-in capital	139,495	139,495
Retained earnings	11,290,924	6,953,521
Treasury stock	(90,000)	(90,000)
Total Liabilities & Shareholders' Equity	$ 40,442,629	$ 28,976,980

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	32.29	39.73
Debt to Equity	1.01	1.39
Shareholders' Equity	$ 13,431,015	$ 9,091,087

Andrea Radio Corporation

11-40 45th Road
Long Island City, New York 11101
(718) 729-8500
FAX: (718) 361-2231

Officers: Frank A. D. Andrea, Jr., chairman of the board and president; Douglas Andrea, secretary; George Feinman, v.p.-engineering.

Directors: Frank A. D. Andrea, Jr., Camille Andrea. George Feinman.

Areas of Work: Engaged in designing, developing, and producing intercommunications and other electronic systems and equipment which are sold to the government and private companies under prime and subcontracts.

Transfer Agent(s):

The Chase Manhattan Bank N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: AND

Number of Employees:

1989	107	1986	80
1988	97	1985	94
1987	96		

Plant Footage:

1989	57,266 sq. ft.	1986	57,266
1988	57,266	1985	57,266
1987	57,266		

Sales & Earnings

	Net Sales	Net Income
1989	$ 3,704,784	$ 154,361
1988	4,104,603	293,392
1987	3,583,018	304,781
1986	3,905,736	269,539
1985	3,247,719	187,188

	No. of Com. Shares	Earn. per Share #
1989	508,272	$ 0.30
1988	508,272	0.58
1987	508,272	0.60
1986	508,272	0.53
1985	508,272	0.37

Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Government	$ 2,358,896	$ 2,223,763
Industrial	1,196,283	1,880,811
Commercial	149,605	29
Total	$ 3,704,784	$ 4,104,603

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.54	—	—
1988	0.54	—	
1987	0.72	—	—
1986	0.72	—	—
1985	0.36	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,327,972	$ 6.55
1988	3,448,078	6.78
1987	3,429,153	6.75
1986	3,490,328	6.87
1985	3,586,745	7.06

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 3,704,784	$ 4,104,603
Other income	155,410	161,216
Total income	$ 3,860,194	$ 4,265,819
Cost of sales	3,056,415	3,270,282
Expenses	512,422	501,304
Income before taxes	$ 291,357	$ 494,233
Income taxes	136,996	200,841
Net Income	$ 154,361	$ 293,392

* Included in Costs and Expenses, Depreciation: $41,707 in 1989 and $45,820 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 102,541	$ 230,837
Cert. of deposit	1,536,841	1,603,710
Accts. receiv., net	463,426	660,621
*Inventories	838,479	621,200
Prepaid expenses	88,206	65,037
Current Assets	$ 3,029,493	$ 3,181,405
#Fixed assets	435,945	427,497
Intangibles	105,459	1,151
Total Assets	$ 3,570,897	$ 3,610,053

Liabilities

Cap. lease oblig., curr.	$ 24,532	—
Accts. payable	93,108	111,003
Salaries & wages	107,875	36,147
Income taxes	—	4,675
Dividends payable	10,560	10,150
Curr. Liabilities	$ 236,075	$ 161,975
Cap. lease oblig.	6,850	—
+Common stock	254,136	254,136
Add. paid-in capital	59,206	59,206
Retained earnings	3,014,630	3,134,736
Total Liabilities & Shareholders' Equity	$ 3,570,897	$ 3,610,053

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.86	12.04
%Net Income to Sales	4.17	7.15
%Net Income to Equity	4.64	8.51
Sales to Inventories	4.42	6.61
Debt to Equity	0.01	—
Working Capital	$ 2,793,418	$ 3,019,430
Current Ratio	12.83	19.64
Shareholders' Equity	$ 3,327,972	$ 3,448,078

Andrew Corporation

10500 West 153rd Street
Orland Park, Illinois 60462
(312) 349-3300
FAX: (312) 349-5943

Officers: Edward J. Andrew, chairman of the board; Floyd L. English, president & chief executive officer; George R. Forbes, sr. v.p.-corporate staff; Charles R. Nicholas, v.p.-finance & chief financial officer; Dennis J. Risany, v.p.-marketing plans; Eric L. Brooker, v.p.-corporate research & development; Henry C. Johnson, v.p.-marketing, sales & corporate development; John B. Scott, v.p.-Network Products Group; Frank M. Roddy, v.p.-Commercial Products Group; Ernest T. Weber, v.p.-Government Products Group; Richard L. Dybala, treasurer; Thomas L. Murphy, secretary; Gregory F. Maruszak, controller; Thomas E. Charlton, Commercial Products Group v.p.-ESA Systems; Thomas E. Fencken, Commercial Products Group v.p.-HELIAX Products; Anthony J. Lacopulos, Commercial Products Group v.p.-European operations; Edward C. Nield, Commercial Products Group v.p.-antenna systems; Harry D. McKee, Commercial Products Group v.p.-broadcast products; Christopher S. Adams, Jr., Government Products Group v.p.-business development; Joe L. Halpain, Government Products Group v.p.-Scientific Communications, Inc.; Bill J. Henderson, v.p.-Andrew SciComm; Barry J. Houlihan, Government Products Group v.p.-Australia.

Directors: Edward J. Andrew, chairman; Edith G. Andrew, Owen D. Bekkum, John G. Bollinger, George N. Butzow, C. Russell Cox, Floyd L. English, Jon L. Boyes, Kenneth J. Douglas, Donald N. Frey, Robert P. Lamons, William J. Morgan.

Areas of Work: Manufactures and markets communications systems and equipment to commercial and defense markets through its three operating groups, Commercial, Government and Network.

The Commercial Products Group offers complete packages of transmission products and services, including terrestrial microwave, broadcast and earth station antennas and systems, coaxial cable, waveguide, towers and shelters. This group serves common carrier, private network, cellular, land mobile and broadcast customers, among others.

The Government Products Group supplies electronic radar and communications reconnaissance receiving systems, positioners, position finding systems, cable, waveguide and high frequency and other antenna systems to the U.S. armed forces and friendly foreign governments.

The Network Products Group provides connection devices to data communications customers for use in corporate communications systems. Products include protocol converters, gateway devices, coaxial multiplexers and baluns.

Subsidiaries:

Andrew Data Corporation
Simi Valley & Torrence, California

Andrew Antennas
Melbourne, Adelaide & Canberra, Australia

Andrew Canada Inc.
Whitby & Ottawa, Canada

Antennes Andrew S.A.R.L.
Paris, France

Andrew Antennas
Lochgelly & Weybridge, Great Britain

Andrew S.R.L.
Milan, Italy

Andrew Corporation
Tokyo, Japan

Antenas de Transmision S.A. de C.V. (49% interest)
Mexico City, Mexico

Andrew AG
Zurich, Switzerland

Scientific Communications, Inc.
Garland, Texas

Manufactures electronic radar and communications reconnaissance receiving equipment used in military and defense markets.

Dayton, Ohio
Fairfax, Virginia
Sunnyvale, California

SciComm GmbH (49%-owned)
Siegburg, West Germany

Kintec Corporation
St. Petersburg, Florida

Manufactures pedestals and electronic controls for radio frequency and optical systems in military and defense markets.

KMW systems Corporation
Austin, Texas

Scott Communications, Inc.
Simi Valley, California

Produces baluns, coaxial multiplexers and related interconnection devices.

Local Data, Inc.

Manufactures and sells gateway devices, protocol converters and other devices used to connect non-IBM equipment to IBM host computers.

VSAT Systems, Inc. (63%-owned)
San Jose, California

Systems supplier and manufacturer of very small aperture terminals.

Transfer Agent(s):

Harris Trust & Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANDW (NASDAQ)

Number of Employees:

1989	2,870	1986	2,331
1988	2,679	1985	2,355
1987	2,297		

Plant Footage:

1989 ...... 1,046,000 sq. ft.

Sales & Earnings

	Net Sales	Net Income
1989	$ 301,859,000	$ 16,235,000
1988	253,502,000	13,901,000
1987	223,185,000	3,814,000
1986	197,659,000	9,518,000
1985	215,528,000	14,117,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	10,022,000	$ 1.62
1988	9,932,000	1.40
1987	10,083,000	0.38
1986	10,061,000	0.95
1985	10,030,000	1.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 182,187,000	$ 18.19
1988	165,907,000	16.65
1987	152,013,000	15.05
1986	144,049,000	14.29
1985	134,840,000	13.42

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 301,859	$ 253,502
Cost of sales	194,947	164,495
Expenses:		
Sales & adm.	61,951	52,598
Res. & develop.	17,021	14,129
Interest expense	3,497	2,541
Interest income	(1,039)	(763)
Other income	(704)	(1,218)
Income before taxes	$ 26,186	$ 21,720
Income taxes	9,951	7,819
Net Income	$ 16,235	$ 13,901

* Included in Costs and Expenses, Depreciation and Amortization: $14,390,000 in 1989 and $13,987,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equiv	$ 7,935	$ 9,753
Accts. receiv., net	91,017	81,745
*Inventories	64,539	53,135
Other curr. assets	22,656	3,139
Current Assets	$ 165,607	$ 147,772
#Fixed assets	52,058	47,781
Costs in exc. of assets acq.	30,866	31,684
Invest. in affil.	13,855	—
Assets held for sale	3,274	6,723
Total Assets	$ 265,660	$ 233,960

Liabilities
(000's)

Notes payable	$ 20,000	$ 6,000
Long-term debt, curr.	3,191	3,275
Accts. payable	12,866	11,293
Accruals	14,200	14,515
Accrued compensation	11,294	8,349
Income taxes	4,345	4,877
Curr. Liabilities	$ 65,896	$ 48,309
Long-term debt	15,568	18,755
Deferred liab.	2,009	989
+Common stock	102	102
Add. paid-in capital	27,275	27,057
Retained earnings	157,346	141,111
For. curr. trans. adjust.	(698)	143
Stock award	(78)	(157)
Treasury stock	(1,760)	(2,349)
Total Liabilities & Shareholders' Equity	$ 265,660	$ 233,960

* At lower of cost (LIFO & FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.67	8.57
% Net Income to Sales	5.38	5.48
% Net Income to Equity	8.91	8.38
Sales to Inventories	4.68	4.77
Debt to Equity	0.21	0.17
Working Capital	$ 99,711,000	$ 99,463,000
Current Ratio	2.51	3.06
Shareholders' Equity	$ 182,187,000	$ 165,907,000

Apollo Computer Inc.

(Acquired by Hewlett-Packard Company on May 18, 1989.)

330 Billerica Road
Chelmsford, Massachusetts 01824
(508) 256-6600

Officers: Thomas A. Vanderslice, chairman & chief exec. officer; Richard P. Bond, sr. v.p. & chief financial officer; Robert J. Elliott, v.p.-information systems & resources; Dorothy D. Hayes, v.p. & controller; Thomas W. Freeze, treasurer; J. Michael Greata, v.p. & chief technologist development; Michael S. Gutman, v.p.-corp. business development; Russell G. Barbour, v.p.-advanced technology; Bruce E. Parker, v.p.-international development & federal programs development; Bernard L. Stumpf, Apollo fellow; Paul J. Leach, Apollo fellow; Alisdair C. Ferguson, managing dir.-Scotland Manufacturing; Charles A. McGurin, v.p.-manufacturing operations, New Hampshire; Frank A. Faggiano, v.p.-human resources; Harold A. Judy, v.p.-quality & program management; Volker Kleinn, v.p.-European operations; Douglas P. Langenberg, v.p.-North American customer services; William J. Cunningham, Jr., v.p.-manufacturing, research & development; John J. Migliore, v.p.-worldwide marketing & North American sales; Lindsay Yelland, v.p.-Asia & Pacific operations; Roy J. Moffa, v.p.-new products; William C. Gould, v.p.-software engineering; Richard B. Plummer, v.p.-product engineering; William M. Kelly, dir.-market segment development; Michael A. Gallup, dir.-product marketing & programs; Gerald A. Vennard, acting gen. mgr.-North American sales.

Directors: Thomas A. Vanderslice, chairman; Charles P. Spector, Richard P. Bond, John F. Cunningham, Robert L. Gable, John K. McKinley, Raymond F. Pettit, William R. Smart.

Areas of Work: Designs, manufactures, markets and services computer systems, primarily used in engineering, scientific, and other technical applications. These systems include advanced personal workstations and sophisticated graphics systems, as well as a wide range of high-performance computer servers, server processors, and printers.

Subsidiaries:

Apollo Computer, S.A.
108, Avenue Louis-Casai
P.O. Box 409
1215 Geneva, Switzerland
(41-22) 985788

Apollo Computer Pte. Ltd.
80 Marine Parade Road
Parkway Parade 19-03/09
Singapore 1544
(65) 345 3985

Number of Employees:

1988	4,446
1987	3,992
1986	3,577
1985	3,275
1984	3,021

Plant Footage:

1988 . . . . . . 1,674,000 sq. ft. 1987 1,365,000

Sales & Earnings x

	Net Sales	Net Income †
1988	$ 653,536,000	$ 2,085,000
1987	553,660,000	20,498,000
1986	391,685,000	12,204,000
1985	295,575,000	(7,246,000)
1984	215,930,000	20,590,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1988	36,476,000	$ 0.06
1987	36,400,000	0.56
1986	35,053,000	0.35
1985	34,024,000	—
1984	31,834,000	0.65

(Loss)

x Restated to reflect the retroactive application of SFAS No. 96, accounting for income taxes.

† Including extraordinary gain of $1,856,000 ($0.05 per share) in 1988.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	
1986	—	—	—
1985	—	—	—
1984	—	—	3-for-2

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1988	$ 226,405,000	$ 6.21
1987	216,285,000	5.94
1986	189,917,000	5.42
1985	163,570,000	4.81
1984	165,317,000	5.19

x Restated.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/31/88	1/2/88‡
Net sales:		
Product	$ 545,169	$ 466,791
Service	108,367	86,869
Total income	$ 653,536	$ 553,660
Cost of sales	377,324	288,513
Expenses	266,423	223,562
Interest expense	11,758	9,599
Interest income	(934)	(2,445)
Income (loss) bef. taxes	$ (1,035)	$ 34,431
Income taxes (credit)	(1,264)	13,933
Net Income	$ 229	$ 20,498
Extraord. gain	1,856	—
Net Income & extraord. gain	$ 2,085	$ 20,498

* Included in Costs and Expenses, Depreciation and Amortization: $42,341,000 in 1988 and $35,731,000 in 1987.

‡ Restated.

Assets
(000's)

As of	12/31/88	1/2/88‡
Cash	$ 9,162	$ 10,624
Investments	10,628	29,298
Accts. receiv., net	188,495	156,710
Refundable taxes	6,034	1,245
*Inventories	87,271	80,563
Other curr. assets	15,869	14,890
Current Assets	$ 317,459	$ 293,330
#Fixed assets	149,112	128,804
Other assets	30,133	24,835
Total Assets	$ 496,704	$ 446,969

Liabilities
(000's)

Accts. payable	$ 55,839	$ 35,255
Cap. lease oblig., curr.	702	621
Accrued inc. taxes	3,091	10,947
Accrued payroll	12,716	13,292
Deferred revenue	13,007	9,206
Accrued interest	3,481	3,996
Other accruals	21,552	20,486
Curr. Liabilities	$ 110,388	$ 93,803
Long-term debt	37,000	—
7 1/4% conv. subord. deben.	105,445	115,000
Deferred inc. taxes	16,651	20,352
Cap. lease oblig.	815	1,529
+ Common stock	722	710
Add. paid-in capital	180,493	175,550
Retained earnings	56,153	54,068
Unearned comp.	(9,381)	(13,653)
Cum. trans. adjust.	(1,582)	(390)
Total Liabilities & Shareholders' Equity	$ 496,704	$ 446,969

‡ Restated.

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.22
%Net Income to Sales	0.04	3.70
%Net Income to Equity	0.10	9.11
Sales to Inventories	7.49	6.87
Debt to Equity	0.17	0.01
Working Capital	$ 207,071,000	$ 199,527,000
Current Ratio	2.88	3.13
Shareholders' Equity	$ 226,405,000	$ 224,997,000

Apple Computer, Inc.

20525 Mariani Avenue
Cupertino, California 95014
(408) 996-1010
FAX: (408) 996-0275

Officers: John Sculley, chairman, president & chief executive officer; Delbert W. Yocam, sr. v.p.; Ian Diery, sr. v.p. & pres.-Apple Pacific; David J. Barram, v.p.-corporate affairs; Deborah A. Coleman, v.p.; Joseph A. Graziano, sr. v.p. & chief financial officer; Albert A. Eisenstat, sr. v.p. & secretary; Jean-Louis Gassee, sr. v.p. & president-Apple Products; Edward B. Stead, v.p. & general counsel; Michael H. Spindler, sr. v.p. & president-Apple Europe; Robert W. Saltmarsh, treasurer; Daniel L. Eilers, v.p.-strategic investments; Allan Z. Loren, sr. v.p. & president-Apple USA; Kevin Sullivan, sr. v.p.-human resources.

Directors: Peter O. Crisp, A. C. Markkula, Jr., Arthur Rock, John Sculley, Albert A. Eisenstat, Sally K. Ride, John A. Rollwagen.

Areas of Work: The company designs, develops, produces, markets and services microprocessor-based personal computers and related software and other peripheral products.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AAPL (NASDAQ)

Number of Employees:

1989	14,517
1988	10,800
1987	7,228
1986	5,600
1985	4,182

Sales & Earnings

	Net Sales	Net Income
1989	$ 5,284,013,000	$ 454,033,000
1988	4,071,373,000	400,258,000
1987	2,661,068,000	217,496,000
1986	1,901,898,000	153,963,000
1985	1,918,280,000	61,223,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	128,669,000	$ 3.53
1988	129,900,000	3.08
1987	131,615,000	1.65
1986	128,630,000	1.20
1985	123,790,000	0.49

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.40	—	—
1988	0.32	—	
1987	0.12	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 1,485,746,000	$ 11.55
1988	1,003,425,000	7.72
1987	836,488,000	6.36
1986	694,087,000	5.40
1985	550,487,000	4.45

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	9/29/89	9/30/88
Net sales	$ 5,284,013	$ 4,071,373
Cost of sales	2,694,823	1,990,879
Research & develop.	420,083	272,512
Marketing & distr.	1,207,464	952,577
Gen. & adm.	327,330	235,067
Interest income	(110,009)	(35,823)
Income before taxes	$ 744,322	$ 656,161
Income taxes	290,289	255,903
Net Income	$ 454,033	$ 400,258

* Included in Costs and Expenses, Depreciation and Amortization: $124,800,000 in 1989 and $77,677,000 in 1988.

Assets
(000's)

As of	9/29/89	9/30/88
Cash & cash equiv.	$ 808,950	$ 545,717
Accts. receiv., net	792,824	638,816
*Inventories	475,377	461,470
Prepaid inc. taxes	117,179	88,711
Other curr. assets	100,098	48,280
Current Assets	$ 2,294,428	$ 1,782,994
#Fixed assets	334,227	207,357
Other assets	115,244	91,735
Total Assets	$ 2,743,899	$ 2,082,086

Liabilities
(000's)

Notes payable	$ 56,751	$ 127,871
Accts. payable	334,157	314,668
Accrued compen.	106,666	82,632
Income taxes payable	85,790	62,465
Accrued marketing	167,022	113,175
Other curr. liab.	144,857	126,282
Curr. Liabilities	$ 895,243	$ 827,093
Deferred inc. taxes	362,910	251,568
+Common stock	315,279	226,239
Retained earnings	1,175,899	776,453
Cum. trans. adj.	(1,868)	4,266
Notes receiv. from shareholders	(3,564)	(3,533)
Total Liabilities & Shareholders' Equity	$ 2,743,899	$ 2,082,086

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	14.09	16.12
%Net Income to Sales	8.59	9.83
%Net Income to Equity	30.56	39.89
Sales to Inventories	11.12	8.82
Debt to Equity	0.04	0.13
Working Capital	$ 1,399,185,000	$ 955,901,000
Current Ratio	2.56	2.16
Shareholders' Equity	$ 1,485,746,000	$ 1,003,425,000

Applied Magnetics Corporation

75 Robin Hill Road
Goleta, California 93117
(805) 683-5353
FAX: (805) 967-8227

Officers: Harold R. Frank, chairman of the board; Ben J. Newitt, vice chairman & chief executive officer; William R. Anderson, president; Robert C. Tetherow, exec. v.p.; Thomas W. Russell, v.p.; O. M. Fundingsland, exec. v.p.-sales and marketing; Louis W. Rayer, v.p. & gen. mgr.-monolithic disk heads; Gordon P. Sprague, Jr., exec. v.p.; Raymond P. LeBlanc, v.p., secretary & general counsel; Steven E. Beal, v.p.-sales; Robert E. Masoner, v.p. & gen. mgr.-composite disk heads; Michael J. Shillinger, v.p. & gen. mgr.-wafer operations, thin-film disk heads; Thomas L. Trenschel, v.p. & gen. mgr.-thin-film disk heads; James G. Evans, treasurer; Steve M. Neil, controller; Paul D. Frank, v.p. research & development.

Directors: Harold R. Frank, chairman; Ben J. Newitt, James M. Cunningham, Willard G. De Groot, William E. Terry, Robert C. Tetherow, R. C. Mercure, Jr., Herbert M. Dwight, Jr..

Areas of Work: Designs, manufactures, repairs, refurbishes and sells various types of magnetic recording heads for both tape and disk computer peripheral drives.

Subsidiaries:

Applied Magnetics Belgium, N.V.
Industriezone
Raadsherenstraat 3
B-2300 Turnhout, Belgium

Applied Magnetics Japan, Ltd.
2-19-4 Tachibanadai Midori-Ku
Yokohama-shi, Kanagawa-ken 227, Japan

Applied Magnetics Korea, Ltd.
CPO Box 2801
Seoul, Korea

Applied Magnetics (Singapore) Pte. Ltd.
No. 8 Ang Mo Kio
Industrial Park 2,
Singapore 2056

Applied Magnetics Ireland, Ltd. Inc.
Clonshaugh Industrial Estate
Coolock, Dublin 5, Ireland

Applied Magnetics (Malaysia) Sdn. Bhd.
Penang, Malaysia

Brumko Magnetics Corporation
150 Binfield Street
Elkhorn, Nebraska 69022
(402) 289-2400

Refurbishes and repairs magnetic recording disk heads for the computer industry.

Nortronics Company, Inc.
6750 Shady Oak Rd.
Eden Prairie, Minnesota 55344
(612) 545-0401

Manufactures magnetic tape heads used in computer tape drives, card and check readers, moneychangers, aircraft recorders and industrial analog audio devices.

Applied Peripherals Technology Belgium, N.V.
Raadsherenstraat 3
B-2300 Turnhout,, Belgium
(32) 14415911

Applied Peripherals Technology (U.K.) Ltd.,
Unit D 1 -Brymau 1 Estate
River Lane, Saltney
Chester CH4 8RG, United Kingdom
(44) 244672712

Applied Peripherals Technology Belgium, N.V.
European Sales Office
Manhattan Office Tower
Avenue du Boulevard 21, Box 33
B-1210 Brussels, Belgium
(32) 2219-1722

Applied Peripherals Technology France SARL
Cergy Cedex, Francer

Applied Peripherals Technology Germany GmbH
Frankfurt, West Germany

Magnetic Data (Singapore) Pte. Ltd.
No. 8 Ang Mo Kio
Industrial Park 2,
Singapore 2056
481-4422

Magnetic Data California
Goleta, California

Magnetic Data, Inc.
6754 Shady Oak Road
Eden Prairie, Minnesota 55344
(612) 941-3248

Repairs and refurbishes high-capacity rigid-disk drives, disk packs, and also supplies computer spare parts.

Transfer Agent(s):

First Interstate Bank of California
P.O. Box 3667, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: APM

Number of Employees:

1989	7,900
1988	8,750
1987	6,940
1986	4,070
1985	3,900

Plant Footage:

1989	1,232,549 sq. ft.
1988	1,232,750
1987	804,085
1986	599,760
1985	595,260

Sales & Earnings

	Net Sales +	Net Income
1989	$ 314,105,000	$ 1,162,000
1988	293,024,000	23,731,000
1987	211,940,000	15,911,000
1986	128,119,000	3,012,000
1985	120,751,000	3,352,000

	No. of Com. Shares †	Earn. per Share †
1989	16,254,764	$ 1.46
1988	16,206,528	1.46
1987	15,219,891	1.05
1986	14,173,015	0.21
1985	13,640,214	0.25

+ Of continuing operations only.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	5%	—
1988	—	—	
1987	—	—	2-for-1
1986	—	—	—
1985	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 174,186,000	$ 10.72
1988	168,316,000	10.39
1987	148,698,000	9.77
1986	97,792,000	6.90
1985	93,107,000	6.83

‡ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 314,105,000	$ 293,024,000
Cost of sales	243,612,000	213,568,000
Expenses	65,362,000	53,133,000
Interest income	(2,299,000)	(2,473,000)
Interest expense	5,909,000	775,000
Other expense	9,000	744,000
Income before taxes	$ 1,512,000	$ 27,277,000

Income taxes	350,000	3,546,000
Net Income	$ 1,162,000	$ 23,731,000

* Included in Costs and Expenses, Depreciation and Amortization: $19,098,000 in 1989 and $16,502,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 8,141,000	$ 11,641,000
Accts. receiv., net	53,911,000	65,986,000
Notes receiv., net	17,033,000	—
*Inventories	47,924,000	48,878,000
Income taxes	2,608,000	801,000
Prepaid expenses	5,362,000	6,719,000
Current Assets	$ 134,979,000	$ 134,025,000
#Fixed assets	143,258,000	123,681
Cost in exc. of assets acq.	11,920,000	12,366,000
Notes receiv.	2,764,000	—
Other assets	2,798,000	3,025,000
Total Assets	$ 295,719,000	$ 273,097,000

Liabilities

Long-term debt, curr.	$ 366,000	$ 1,567,000
Notes payable	3,295,000	2,445,000
Accts. payable	26,091,000	23,044,000
Accrued payroll & other liab.	11,603,000	20,137,000
Other curr. liab.	4,285,000	5,192,000
Curr. Liabilities	$ 45,640,000	$ 52,385,000
Long-term debt	64,715,000	41,007,000
Def. income taxes	1,747,000	1,098,000
Other liabilities	9,431,000	10,291,000
+Common stock	1,601,000	1,468,000
Add. paid-in capital	106,698,000	93,294,000
Retained earnings	69,030,000	77,133,000
Cum. trans. adjust.	790,000	738,000
Treasury stock	—	(4,317,000)
Unearned restric. stock comp.	(3,933,000)	—
Total Liabilities & Shareholders' Equity	$ 295,719,000	$ 273,097,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.48	9.31
%Net Income to Sales	0.37	8.10
%Net Income to Equity	0.67	14.10
Sales to Inventories	6.55	6.00
Debt to Equity	0.39	0.27
Working Capital	$ 89,339,000	$ 81,640,000
Current Ratio	2.96	2.56
Shareholders' Equity	$ 174,186,000	$ 168,316,000

Applied Materials, Inc.

3050 Bowers Avenue
Santa Clara, California 95054-3299
(408) 727-5555
FAX: (408) 748-9943

P.O. Box 58039
Santa Clara, California 95052-8039

Officers: James C. Morgan, chairman & chief exec. officer; James W. Bagley, president & chief operating officer; Dan Maydan, exec. v.p.; Gerald F. Taylor, v.p. & chief financial officer; Dana C. Ditmore, v.p.-Customer Service Division; David N.K. Wang, v.p.-CVD division and Etch; Peter R. Hanley, group v.p.-customer bus. group; Tetsuo Iwasaki, v.p., & pres.-Applied Materials Japan; Steven A. Lindsay, v.p.-sales; Howard L. Neff, v.p.-Corporate Operations; John G. Stewart, v.p.-Applied Implant Technology; Sasson Somekh, v.p.-Applied Conductor Technologies; Glen O. Toney, v.p.-human & physical resources; Joseph R. Bronson, controller; Nancy H. Handel, treasurer; Michael J. Praisner, corporate controller; Donald A. Slichter, secretary; David D. Orgill, mgr.-investor relations.

Directors: James C. Morgan, chairman; James W. Bagley, Herbert M. Dwight, Jr., George B. Farnsworth, Philip V. Gerdine, Alfred J. Stein, Hiroo Toyoda.

Areas of Work: Develops, manufactures and markets semiconductor wafer processing equipment, including epitaxial reactors, plasma etch systems, ion implanters, chemical vapor deposition systems, and physical vapor depositions systems.

Divisions:

Etch Products Division
Applied Deposition Technology Division
Epitaxial Products Division
Customer Service Division
Applied Conductor Technologies (ACT)
Applied CVD and Etch Technologies (ACET)
Applied Implant Technologies (AIT)
Implant Division

Subsidiaries:

Applied Materials Europe B.V.
Amsterdam, The Netherlands

Applied Materials Limited
Bracknell, Berks, United Kingdom
Livingston, Scotland

Applied Materials S.A.R.L.
Paris, France
Milan, Italy

Applied Materials GmbH
Munich & Stuttgart, West Germany

Applied Materials Japan
Tokyo, Kumamoto, Narita, Niigata, Oita, Osaka, Sendai, Japan
Tokyo, Kumamoto, Narita, Niigata, Ohita, Osaka & Sendai, Japan

Applied Materials China Service Center
Beijing, People's Republic of China

Applied Materials Korea
Seoul, Korea

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AMAT (NASDAQ)

Number of Employees:

1989	2,651	1986	1,415
1988	1,765	1985	1,359
1987	1,406		

Plant Footage:

1989	633,600 sq. ft.	1986	633,600
1988	633,600	1985	633,600
1987	633,600		

Sales & Earnings

	Net Sales	Net Income
1989	$ 501,846,000	$ 51,484,000
1988	362,758,000	40,020,000
1987	174,444,000	336,000
1986	149,261,000	1,860,000
1985	174,595,000	9,187,000

	No. of Com Shares ‡	Earn per Share ‡
1989	16,757,000	$ 3.07
1988	16,491,000	2.43
1987	14,140,000	0.02
1986	13,322,000	0.14
1985	13,160,000	0.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 254,399,000	$ 15.70
1988	200,807,000	12.67
1987	153,608,000	9.93
1986	93,746,000	7.14
1985	86,796,000	6.70

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	10/29/89	10/30/88
Net sales	$ 501,846	$ 362,758
Cost of sales	257,149	192,094
Expenses		
Research & develop.	72,296	43,477
Marketing & selling	56,159	34,246
Gen. & administrative	32,776	22,413
Other expense (income)	(936)	3,828
Income bef. taxes	$ 84,402	$ 66,700
Income taxes	32,918	26,680
Net Income	$ 51,484	$ 40,020

* Included in Costs and Expenses, Depreciation and Amortization: $11,746,000 in 1989 and $11,430,000 in 1988.

Assets
(000's)

As of	10/29/89	10/30/88
Cash & cash equiv.	$ 57,426	$ 58,219
Short-term invest.	49,682	42,570
Accts. receiv., net	131,563	98,624
*Inventories	77,015	53,757
Deferred inc. taxes	21,063	17,992
Other curr. assets	6,195	4,997
Current Assets	$ 342,944	$ 276,159
#Fixed assets	82,127	55,994
Other assets	8,786	7,055
Total Assets	$ 433,857	$ 339,208

Liabilities
(000's)

Notes payable	$ 12,531	$ 8,987
Long-term debt, curr.	1,771	1,488
Accts. payable & accruals	122,888	93,310
Income taxes	5,662	13,200
Curr. Liabilities	$ 142,852	$ 116,985

Long-term debt		29,445		11,346
Deferred inc. taxes		6,057		6,998
Other obligations		1,104		3,072
+Common stock		162		158
Add. paid-in capital		121,948		116,983
Retained earnings		125,751		74,267
Cum. trans. adjust.		6,538		9,199
Total Liabilities & Shareholders' Equity	$	433,857	$	339,208

• At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		16.82		18.39
%Net Income to Sales		10.26		11.03
%Net Income to Equity		20.24		19.93
Sales to Inventories		6.52		6.75
Debt to Equity		0.17		0.11
Working Capital	$	200,092,000	$	159,174,000
Current Ratio		2.40		2.36
Shareholders' Equity	$	254,399,000	$	200,807,000

Applied Power Inc.

13000 West Silver Spring Drive
Butler, Wisconsin 53007
(414) 781-6600
FAX: (414) 781-1049

Mailing Address:
P.O. Box 325
Milwaukee, Wisconsin 53201-0325

Officers: Richard G. Sim, Chairman of the board & chief exec. officer; Robert T. Foote, Jr., v.p. & chief financial officer; Louis Niers, v.p. & managing dir., Power-Packer Europa B.V.; Theodore M. Lecher, v.p. & president-GB Electrical, Inc.; Robert G. Deuster, v.p. & president-Barry Controls; Thomas C. Scrymgeour, v.p. & president-Wright Line Inc.; Michael D. O'Toole, v.p.-Enerpac Operations; Dale A. Knutson, v.p.-Technology; Martin E. Pschirrer, v.p.-Human Resources; Brian J. Tuttle, treasurer & asst. secretary; Anthony W. Asmuth, III, secretary.

Directors: Richard G. Sim, chairman; Raymond S. Troubh, Robert M. Hoffer, Richard M. Jones, R.D. Ziegler.

Areas of Work: Applied Power is a global company which manufactures and distributes tools, equipment, systems, components and consumable items to the manufacturing, construction, transportation, mobile equipment, medical equipment, specialized machinery, defense, aircraft, natural resource and office markets. The Company's products are based on hydraulic, electrical power, electronic control, sensor, rubber molding, and vibration control technologies. Applied Power also serves more than 20,000 hardware and do-it-yourself consumer outlets by direct contact with 200 central purchasing operations.

Divisions and Subsidiaries:

NORTH AND SOUTH AMERICA

Enerpac
Butler, Wisconsin

Vlier Enerpac
Butler, Wisconsin
Burbank, California

Applied Power International Ltd.
Miami, Florida

Power-Packer
Butler, Wisconsin

Barry Controls
Brighton, Massachusetts
Burbank, California

Wright Line
Data File
Plymouth, Minnesota

Wright Line Inc.
Worcester, Massachusetts

ElectroMechanics
High Point, North Carolina

GB Electrical, Inc.
Glendale, Wisconsin

Apitech
Butler, Wisconsin

Enerpac
Applied Power Canada Ltd.
Toronto, Canada

Wright Line of Canada Ltd.
Toronto, Canada

Enerpac
Applied Power (Mexico) S.A. de C.V.
Pachuca, Hidalgo, Mexico

Power-Packer do Brasil Ltd.
Sao Paulo, Brazil

WESTERN EUROPE

Enerpac Ltd.
Ashford, Kent, United Kingdom

Barry Controls Ltd.
Walton-on-Thames, Surrey, United Kingdom

Wright Line
DataFile Ltd.
Luton, Bedfordshire, United Kingdom

Enerpac S.A.
Paris, France

Norelem S.A.
Paris, France

Power-Packer
Matairco/Hydro-Air S.A.
Paris, France

Enerpac
Applied Power Italiana S.p.A.
Milan, Italy

Enerpac B.V.
Veenendaal, Netherlands

Power-Packer Europa, B.V.
Oldenzaal, Netherlands

Enerpac
Applied Power International, S.A.
Madrid, Spain

Power-Packer Espana, S.A.
Torrijos, Spain

Enerpac
Applied Power International, S.A.
Geneva, Switzerland

Enerpac
Applied Power GmbH
Dusseldorf, West Germany

Barry Controls GmbH
Barry Controls International
Raunheim, West Germany

Wright Line GmbH
Frankfurt, West Germany

FAR EAST

Enerpac
Applied Power Australia Ltd.
Sydney, Australia

Wright Line
DataFile Pty. Ltd.
Rydalmere, Australia

Enerpac
Applied Power New Zealand Ltd.
Auckland, New Zealand

Enerpac
Toyo Hydraulic Equipment Co.
Tokyo, Japan

Power-Packer
Sanwa-Packer, Ltd.
Yono City, Japan

Enerpac
Applied Power Asia Pte. Ltd.
Singapore

Enerpac
Applied Power Korea Ltd.
Seoul, Korea

Acquisitions:

Barry Wright Corporation
Manufactures and markets engineered components to control vibration and shock, and integrated filing systems.

Magnum
Manufactures an innovative vehicle mounted air compressor.

Thermotool
Specializes in equipment to bend plastic conduit.

Norelem
Specializes in workholding components.

Gardner Bender, Inc.

Transfer Agent(s):

Class A Common:
First Wisconsin Trust Company
P.O. Box 2077
Milwaukee, Wisconsin 53201

Class B Common:
Applied Power Inc.
P.O. Box 325
Milwaukee, Wisconsin 53201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: APWRA (NASDAQ)

Plant Footage

1989 . . . . . . 1,704,000 sq. ft.

Sales & Earnings

		Net Sales		Net Income ‡
1989	$	246,221,000	$	19,828,000
1988		177,054,000		14,547,000
1987		129,449,000		6,472,000
1986		113,039,000		5,782,000
1985		99,908,000		3,946,000

	No. of Com. Shares #		Earn. per Share ‡ +
1989	12,719,000	$	1.51
1988	12,625,000		1.12
1987	12,456,000		0.64
1986	9,144,000		0.59
1985	9,160,000		0.38

‡ Including extraordinary gain of $650,000 ($0.05 per share) in 1988.
# Adjusted to reflect stock splits.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

		1989		1988
Enerpac	$	139,637,000	$	124,787,000
Power-Packer		40,517,000		36,469,000
Apitech		5,996,000		3,188,000
GB Electrical		32,938,000		12,610,000
Wright Line		13,205,000		—
Barry Controls		13,928,000		—
Total	$	246,221,000	$	177,054,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.11	—	2-for-1
1988	0.10	—	
1987	0.10	—	3-for-1
1986	0.10	—	—
1985	0.09	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 86,684,000	$ 6.82
1988	69,963,000	5.54
1987	57,012,000	4.58
1986	42,944,000 ‡	4.70

‡ After allowing for preferred stock at stated value.
+ Adjusted to reflect stock splits.

Income Account *

Year ended Aug. 31	1989	1988
Net sales	$ 246,221,000	$ 177,054,000
Cost of sales	145,241,000	101,488,000
Expenses	64,329,000	49,350,000
Interest expense	7,850,000	3,701,000
Amortization of intangible	2,090,000	1,702,000
For. curr. exch. gains	(1,603,000)	(249,000)
Eq. in inc. of Hein-Werner	(1,455,000)	(1,330,000)
Unusual items	(3,184,000)	—
Income bef. taxes	$ 32,953,000	$ 23,022,000
Income taxes	13,125,000	8,475,000
Net Income	$ 19,828,000	$ 14,547,000
Extraord. gain	—	650,000
Net Income & extraord. gain	$ 19;828,000	$ 15,197,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,670,000 in 1989 and $4,907,000 in 1988.

Assets

As of Aug. 31	1989	1988
Cash & cash equiv.	$ 19,885,000	$ 2,265,000
Accts. receiv., net	78,086,000	37,530,000
*Inventories	73,782,000	34,810,000
Invest. in bus. held for sale	10,539,000	—
Prepaid expenses	10,944,000	6,380,000
Current Assets	$ 193,236,000	$ 80,985,000
Invest. in Hein-Werner	—	11,788,000
#Fixed assets	81,721,000	26,526,000
Other assets	5,657,000	4,293,000
Exc. of cost over assets acq.	76,522,000	17,213,000
Intangibles	13,865,000	8,889,000
Total Assets	$ 371,001,000	$ 149,694,000

Liabilities

	1989	1988
Short-term debt	$ 22,482,000	$ 18,994,000
Long-term debt, curr.	244,000	187,000
Accts. payable	28,336,000	13,454,000
Accrued payroll	15,474,000	6,269,000
Other accruals	31,073,000	5,700,000
Income taxes	12,263,000	4,208,000
Current Liabilities	$ 109,872,000	$ 48,812,000
Long-term debt	168,924,000	25,976,000
Deferred liabilities	5,521,000	4,943,000
+Class A Common stock	2,064,000	1,009,000
+Class B Common stock	480,000	258,000
Add. paid-in capital	21,293,000	22,305,000
Retained earnings	65,087,000	45,986,000
Treasury stock	—	(215,000)
For. curr. trans. adjust.	(844,000)	942,000
Notes receiv. from officer	(391,000)	(322,000)
ESOP owned stock	(624,000)	—
Note receiv. from ESOP	(381,000)	—
Total Liabilities & Shareholders' Equity	$ 371,001,000	$ 149,694,000

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO or average.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

% Income bef. Taxes to Sales	13.38	13.00
% Net Income to Sales	8.05	8.22
% Net Income to Equity	22.87	20.79
Sales to Inventories	3.34	5.09
Debt to Equity	2.21	0.64
Working Capital	$ 83,364,000	$ 32,173,000
Current Ratio	1.76	1.66
Shareholders Equity	$ 86,684,000	$ 69,963,000

Applied Solar Energy Corporation

(73%-owned by American Cyanamid Company)

15251 E. Don Julian Road
P.O. Box 1212
City of Industry, California 91749-1212
(818) 968-6581
FAX: (818) 336-8694

Officers: Charles A. Ruibal, chairman of the board; Gerard McLarnon, president & chief executive officer; Frank F. Ho, v.p.-solar cell engineering; John Tracy, v.p.-optoelectronic products; Kathleen J. Batistelli, corp. secretary; David M. Drillock, director-finance.

Directors: Charles A. Ruibal, chairman; Jerry Grey, Eugene B. Konecci, Frederick W. Armstrong, Albert J. Costello, Larry Ellberger, Gerard McLarnon.

Areas of Work: Engaged in two major business units, one producing gallium arsenide and silicon solar cells which convert sunlight directly into electrical power, for the space and defense industry. The second business unit is responsible for the development and sale of photosensor devices and laser assemblies.

Transfer Agent(s):

U.S. Stock Transfer Corp.
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOLR (NASDAQ)

Number of Employees:

1989	280	1987	N.A.
1988	253	1986	255

Plant Footage:

1989	135,100 sq. ft.	1987	N.A.
1988	135,100	1986	89,600

Sales & Earnings

	Revenues +	Net Income #
1989	$ 21,725,000	$ (1,842,000)
1988	25,789,000	(3,090,000)
1987	28,675,000	1,262,000
1986	15,220,000	2,727,000)
1985	10,025,000	(3,723,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1989	3,390,000	$ —
1988	3,378,000	—
1987	3,384,000	0.37
1986	3,369,000	—
1985	3,362,000	—

(Loss)
+ Includes other revenues.
# Including extraordinary gain of $283,000 ($0.08 per share) in 1987 and extraordinary loss of $133,000 in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 12,576,000	$ 3.71
1988	14,030,000	4.15
1987	17,108,000	5.06
1986	15,761,000	4.68
1985	18,476,000	5.50

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	10/28/89	10/29/88
Revenues:		
Product sales	$ 20,614	$ 25,041
Res. & develop. contracts	1,111	748
Total revenues	$ 21,725	$ 25,789
Cost of revenues	15,681	20,093
Expenses:		
Res. & prod. develop.	2,597	2,030
Sell., adm. & general	5,538	5,588
Interest expense	968	448
Loss-cont. oper.	$ (3,059)	$ (2,370)
Inc. (loss)-discont. oper.	1,217	(720)
Net Loss	$ (1,842)	$ (3,090)

* Included in Costs and Expenses, Depreciation and Amortization: $3,085,000 in 1989 and $2,936,000 in 1988.

Assets
(000's)

As of	10/28/89	10/29/88
Cash & cash equiv.	$ 252	$ 373
Accts. receiv., net	2,535	1,402
Costs in exc. of billings	2,137	4,623
*Inventories	2,940	1,569
Prepaid expenses	613	553
Current Assets	$ 8,477	$ 8,520
#Fixed assets	18,976	18,528
Other assets	216	717
Total assets	$ 27,669	$ 27,765

Liabilities
(000's)

	10/28/89	10/29/88
Demand note pay.	$ 9,135	$ 8,781
Long-term debt & cap. lease oblig., curr.	48	86
Accts. payable	2,998	2,279
Accrued comp.	954	665
Other accruals	904	817
Curr. Liabilities	$ 14,039	$ 12,628

Long-term debt & cap. lease oblig.	995	1,048
Deferred taxes	59	59
+Common stock	21,415	21,027
Retained earnings (deficit)	(8,839)	(6,997)
Total Liabilities & Shareholders' Equity	$ 27,669	$ 27,765

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	7.01	15.96
Debt to Equity	0.81	0.71
Shareholders' Equity	$ 12,576,000	$ 14,030,000

Armatron International, Inc.

2 Main Street
Melrose, Massachusetts 02176
(617) 321-2300

Officers: Charles J. Housman, chairman of the board, president & treasurer; Sal DeYoreo, v.p.; Elliot J. Englander, clerk.

Directors: Charles J. Housman, chairman; Edward L. Housman, Elliot J. Englander, Craig Spangenberg, William Welsh.

Areas of Work: The Company manufactures radios, which it supplies on an OEM basis to a major automobile manufacturer, electronic insect killing devices and branch and leaf chipper/shredders for consumer use.

Divisions:

Automatic Radio Division

Flowtron Outdoor Products Division

Transfer Agent(s):

Registrar and Transfer Co.
New Jersey

Stock Exchange(s): American

Ticker Symbol: ART

Number of Employees: (yearly average)

1989 160   1987 178
1988 178

Plant Footage:

1989 .... 84,000 sq. ft.   1987 50,000
1988 84,000

Sales & Earnings

	Net Sales ‡	Net Income †
1989	$ 41,064,000	$ 1,410,000
1988	33,181,000	130,000
1987	21,343,000	(871,000)
1986	23,310,000	(11,489,000)
1985	25,843,000	(7,978,000)

	No. of Com. Shares #	Earn. per Share †#
1989	2,540,871	$ 0.55
1988	2,540,871	0.05
1987	2,540,871	—
1986	2,543,446	—
1985	2,544,350	—

(Loss)
‡ Of continuing operations only.
† Including extraordinary gains of $260,000 ($0.10 per share) in 1989 and $33,000 ($0.01 per share) in 1988.
# Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Consumer products	$ 19,269,000	$ 19,883,000
Industrial products	21,795,000	13,298,000
Total	$ 41,064,000	$ 33,181,000

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 5,731,000	$ 2.26
1988	4,321,000	1.70
1987	4,191,000	1.65
1986	5,051,000	1.99
1985	16,608,000	6.53

# Based on the weighted average number of shares outstanding.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 41,064,000	$ 33,181,000
Cost of sales	33,172,000	26,577,000
Expenses	5,851,000	5,712,000
Interest expense	1,170,000	1,041,000
Gain on sale of rl. est.	(584,000)	—
Disc. from assignment of note	—	116,000
Other income	(170,000)	(395,000)
Inc. bef. taxes	$ 1,625,000	$ 130,000
Income taxes	475,000	33,000
Net Income	$ 1,150,000	$ 97,000
Extraord. gain	260,000	33,000
Net Income & extraord. gain	$ 1,410,000	$ 130,000

* Included in Costs and Expenses, Depreciation and Amortization: $597,000 in 1989 and $429,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 22,000	$ 79,000
Accts. receiv., net	8,556,000	6,442,000
*Inventories	7,107,000	6,634,000
Prepaid expenses	259,000	200,000
Bldg. held for sale	—	691,000
Current Assets	$ 15,944,000	$ 14,046,000
#Fixed assets	1,351,000	1,547,000
Other assets	128,000	100,000
Total Assets	$ 17,423,000	$ 15,693,000

Liabilities

Notes payable	$ 7,400,000	$ 7,496,000
Long-term debt, curr.	19,000	533,000
Accts. payable	1,653,000	1,010,000
Accruals:		
Advertising	393,000	271,000
Interest	145,000	152,000
Payroll	219,000	208,000
Other	854,000	668,000
Curr. Liabilities	$ 10,683,000	$ 10,338,000
Long-term debt	1,009,000	1,034,000
+Common stock	2,606,000	2,606,000
Add. paid-in capital	6,770,000	6,770,000
Retained earnings (deficit)	(3,399,000)	(4,809,000)
Treasury stock	(246,000)	(246,000)
Total Liabilities & Shareholders' Equity	$ 17,423,000	$ 15,693,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.18	0.39
%Net Income to Sales	2.25	0.29
%Net Income to Equity	20.07	2.24
Sales to Inventories	7.19	5.00
Debt to Equity	1.47	2.10
Working Capital	$ 5,261,000	$ 3,708,000
Current Ratio	1.49	1.36
Shareholders' Equity	$ 5,731,000	$ 4,321,000

Arrow Electronics, Inc.

25 Hub Drive
Melville, New York 11747
(516) 391-1300
FAX: (516) 391-1644

Officers: John C. Waddell, chairman of the board; Stephen P. Kaufman, president & chief exec. officer; Robert E. Klatell, sr. v.p., general counsel & secretary; Dominic A. Polimeni, v.p., treasurer & chief financial officer; Thomas F. Hallam, v.p.; Wesley S. Sagawa, v.p.; William J. Smith, v.p.; Don E. Burton, v.p.; Thomas S. Catalano, v.p., controller, & chief accounting officer; Robert J. McInervey, v.p.; John S. Smith, v.p.; Betty Jane Scheihing, v.p..

Directors: John C. Waddell, chairman; Thomas M. Davidson, Stephen P. Kaufman, Lawrence R. Kem, Daniel W. Duval, J. Spencer Gould, Robert E. Klatell.

Areas of Work: Distributors of electronic components, systems and related products.

Divisions and Subsidiaries:

Arrow Commercial Systems Group
Melville, New York
Distributor of computer products and peripherals.

Arrow/Kierulff Electronics Group
Melville, New York
Distributor of semiconductor and OEM computer products.

Spoerle Electronic Handelsgesellschaft mbH & Co.
(40% owned)
West Germany
Electronics distributor in West Germany.

MTI Systems Corp.
Port Washington, New York
Distributor of computer products, PC networking solutions, and mini and micro systems.

Capstone Electronics Corp.
Aurora, Colorado
Distributor of passive, electromechanical, and connector components.

Arrow Electronics (UK) Ltd.
England
Distributor of semiconductors, passive, electromechanical, and connector components

Acquisition:

RR Electronics Ltd.
Bedford, England
Electronics distributor.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: ARW

Number of Employees:

1989 2,400   1988 2,775

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 925,207,000	$ 3,214,000
1988	1,006,379,000	23,201,000
1987	562,399,000	(2,887,000)
1986	501,795,000	(31,899,000)
1985	508,230,000	(10,883,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	11,760,000	$ —
1988	11,503,000	1.55
1987	6,700,000	—
1986	6,527,000	—
1985	6,422,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary loss of $3,632,000 in 1986.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.15	—	—
1985	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 77,946,000 †	$ 6.63
1988	77,887,000 †	6.77
1987	26,529,000 †	3.96
1986	32,945,000 †	5.05
1985	69,943,000	10.89

† After allowing for preferred stock at liquidation value.
# Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 925,207	$ 1,006,379
Cost of sales	727,493	792,285
Expenses	170,157	178,793
Interest expense	29,809	30,193
Eq. in earn. of affil. co.	(5,466)	(4,630)
Inc. - cont. oper.	$ 3,214	$ 9,738
Inc. - discont. oper.	—	13,463
Net Income	$ 3,214	$ 23,201

* Included in Costs and Expenses, Depreciation and Amortization: $10,545,000 in 1989 and $10,791,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 4,642	$ 9,693
Accts. receiv., net	151,538	159,818
Income taxes	557	557
*Inventories	196,446	208,665
Prepaid expenses	3,391	3,576
Current Assets	$ 356,574	$ 382,309
#Fixed assets	30,331	31,907
Invest. in affil. co.	45,061	48,226
Cost in exc. of assets acq.	52,125	49,401
Other assets	13,843	18,295
Total Assets	$ 497,934	$ 530,138

Liabilities
(000's)

Notes payable	$ 2,844	$ 2,817
Long-term debt, curr.	1,811	1,778
Accts. payable	72,078	75,874
Accruals	27,807	27,962
Accrued interest	5,920	8,077
Curr. Liabilities	$ 110,460	$ 116,508
Long-term debt	108,481	132,126
Def. inc. taxes & other liab.	23,996	25,617
Subord. deben.	107,051	108,000
+ Preferred stock	280	280
++ Common stock	11,851	11,477
Add. paid-in capital	141,930	140,131
Retained earnings (deficit)	(5,323)	(3,112)
Treasury stock	(21)	(21)
Emp. stock awards	(771)	(868)
Total Liabilities & Shareholders' Equity	$ 497,934	$ 530,138

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; $19.375 convertible exchangeable.
++ $1 par value.

Statistical Summary

% Net Income to Sales	0.35	—
% Net Income to Equity	2.17	4.38
Sales to Inventories	4.71	4.82
Debt to Equity	0.76	0.92
Working Capital	$ 246,114,000	$ 265,801,000
Current Ratio	3.23	3.28
Shareholders' Equity	$ 147,946,000	$ 147,887,000

ARTRA GROUP Incorporated

500 Central Avenue
Northfield, Illinois 60093
(312) 441-6650

Officers: John J. Harvey, chairman of the board & chief exec. officer; Peter R. Harvey, president & chief oper. officer; John G. Hamm, exec. v.p.; James D. Doering, v.p., treasurer & chief financial officer.

Directors: John J. Harvey, chairman; Peter R. Harvey, Roland J. Joyce, Gerard M. Kenney, David R. MacDonald.

Areas of Work: Through Welch Vacuum Technology, Inc., a wholly owned subsidiary, the Company develops, manufactures, markets and distributes a broad, diverse line of analytical instruments, scientific apparatus, laboratory equipment, teaching systems, supplies, chemicals and furniture to industrial, educational and governmental markets. In addition, through Lori Corporation, a 70.4%-owned subsidiary, the Company designs, manufactures and distributes jewelry and accessories.

Subsidiaries:

Welch Vacuum Technology, Inc.
(Discontinued Dec. 31, 1989)
7300 North Linder Avenue
Skokie, Illinois 60077
(312) 677-0600

Products manufactured by Welch include balances, charts, Cryo-Source cryogenic refrigerators, electric meters, fluorimeters, hot plates, laboratory clamps and supports, mechnical high vacuum pumps, refrigeration pumps and oil-less piston compressors, prepared microscope slices, Milikan apparatus, nuclear scalers, ovens, pH/ISC meters, Polarograph Voltammetric analyzers, preserved animals, potentiometric stripchart records, ripple tanks, Sargent-Slomin eletrodeposition apparatus, living and mounted specimens, stirrers, thermostatic baths and turbomolecular high vacuum pumps, related accessories and many other electroanalytical instruments, laboratory appliances and devices, hardware and demonstration apparatus items, ranging from simple to complex, used in industrial applications and for teaching anatomical, biological, chemical, mathematical and physical properties and principles. In addition to manufactured products, Welch also serves as distributor for more than 1,000 suppliers of complementary products, including other instruments and apparatus, chemicals, laboratory glassware and furniture, plasticware, porcelainware, hardware, filter paper and computer software.

Lori Corporation (70.4%-owned)
500 Central Avenue, Box 8902
Northfield, Illinois 60093
(312) 441-7300

Designs and distributes jewelry and accessories, writing instruments and lighters.

Envirodyne Industries Inc. (26.7% interest)
142 East Ontario Street
Chicago, Illinois 60611
(312) 649-0600

Manufactures polymeric film products used to process and package meat, poultry and cheeses; plasticized polyvinyl chloride film, primarily for use in packaging food items; and disposable plastic cutlery, drinking straws, customdining kits and related items.

Transfer Agent(s):

Continental Illinois National Bank and Trust Company of Chicago
231 LaSalle Street
Chicago, Illinois 60693

Stock Exchange(s): New York

Ticker Symbol: ATA

Number of Employees:

1989	1,892	1987	3,100
1988	N.A.	1986	3,300

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 105,354,000	$ (11,397,000)
1988	91,534,000	(14,840,000)
1987	94,170,000	(4,621,000)
1986	76,228,000	909,000
1985	56,439,000	(6,275,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	2,946,543	$ —
1988	2,926,326	—
1987	3,849,029	—
1986	2,826,055	0.25

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $2,070,000 ($0.65 per share) in 1989 and $881,000 ($0.30 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.165	—	—
1985	0.22	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (7,111,000)	$ —
1988	5,577,000	1.91
1987	19,726,000	5.12
1986	23,867,000	8.45
1985	17,500,000	—

(Deficiency)

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 105,354	$ 91,534
Cost of sales	57,875	51,330
Expenses	41,089	41,358
Depreciation & amortization	2,449	2,220
Eq. in earn. of Envirodyne	(3,172)	(13,310)
Gain on sale of Envirodyne	(28,828)	—
Interest expense	12,670	14,862
Other expense (income)	96	(976)
Inc. (loss) bef. taxes	$ 23,175	$ (3,950)
Income taxes	9,361	1,008
Minority interests	—	(1,323)
Inc. (loss)-cont. oper.	$ 13,814	$ (3,635)
Loss-discont. oper.	(27,281)	(11,205)
Net Loss	$ (13,467)	$ (14,840)
Extraord. gain	2,070	—
Net Loss & extraord. gain	$ (11,397)	$ (14,840)

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 1,174	$ 4,440
Accts. receiv., net	16,071	28,463
•Inventories	14,012	32,029
Assets-discont. oper.	—	20,179
Other curr. assets	1,857	3,661
Current Assets	$ 33,114	$ 88,772
Investment in Envirodyne	—	43,937
#Fixed assets	6,695	13,611
Exc. of cost over assets acq.	33,268	61,612
Net assets-discont. oper.	250	9,652
Other assets	8,491	4,228
Total Assets	$ 81,818	$ 221,812

Liabilities
(000's)

	1989	1988
Notes payable	$ 37,770	$ 77,792
Long-term debt, curr.	2,833	18,149
Other long-term debt	1,426	17,804
Accts. payable	5,734	19,141
Amts. due to rel. parties	349	436
Accruals	8,659	14.540
Income taxes	1,668	1,441
Liab. of discont. oper.	6,800	20,605
Curr. Liabilities	$ 65,239	$ 169,908
Long-term debt	19,748	29,177
Deferred inc. taxes	—	6,571
Other liabilities	—	2,723
Redeem. common stock	3,942	7,856
+Common stock	2,416	2,396
Add. paid-in capital	21,602	20,170
Retained earnings (deficit)	(29,651)	(17,377)
Cum. trans. adjust.	—	389
Treasury stock	(1,478)	(1)
Total Liabilities & Shareholders' Equity	$ 81,818	$ 221,812

* At lower of cost or market. Scientific Products at LIFO; jewelry at FIFO.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1989	1988
Sales to Inventories	7.52	2.86
Debt to Equity	—	25.63
Shareholders' Equity (Deficit)	$ (7,111,000)	$ 5,577,000

Arvin Industries, Inc.

One Noblitt Plaza, Box 3000
Columbus, Indiana 47202-3000
(812) 379-3000
FAX: (812) 379-3688

Officers: James K. Baker, chairman & chief exec. officer; Loren K. Evans, president & chief operating officer; Richard Smith, v.p.-finance; W. Frederick Meyer, v.p.-public affairs; V. William Hunt, v.p.-administration; H. Robert Leland, v.p. & president-Calspan Corporation; James S. Smith, v.p. & president-Roll Coater, Inc.; Charles H. Watson, v.p. & president-Arvinyl; Ronald J. Rosin, v.p. & president-ArvinAir; Joe T. Atkins, v.p. & president-North American Automotive; J. Kevin Nameth, v.p. & president-Schrader Automotive Inc.; Byron O. Pond, v.p. & president-Maremont Corporation; Clyde R. Davis, v.p.-personnel services; J. William Kendall, v.p.-community relations; Gary J. Admire, asst. treasurer; Page E. Gifford, asst. secretary; David M. Main, asst. secretary; Rex L. Emshwiller, asst. controller.

Directors: James K. Baker, chairman; Joseph P. Allen, Loren K. Evans, Douglas G. Fleming, Richard W. Hanselman, V. William Hunt, Don J. Kacek, Frederick R. Meyer, Steven C. Beering, Richard M. Ringoen, Robert E. Fowler, Jr., Richard A. Smith.

Areas of Work: Operates in four business segments: Automotive -- manufacture of mufflers, exhaust and tail pipes, catalytic converters, corrosion resistant coatings and other metal tubular parts. interior trim parts and exterior trim moldings, vinyl metal truck and bus parts, and restraint systems and tire testing services; Manufacture of replacement exhaust systems, shocks and other ride control products and various forms of painted and vinyl-laminated steel for apoiance housings; Government--provides research in the areas of aerodynamics, automotive crash testing and accident research, aircraft systems, electronic systems analysis, surface and laser chemistry, non-destructive material evaluation and networked computer systems, and also manufactures sophisticated electronic monitoring systems; Industral-supplies tire valves and valve cores for heavy duty truck and other commercial applications, and precoated coils of steel and aluminum for pre-engineered buildings, evaporative coolers, research and testing.

Divisions and Subsidiaries:

Calspan Corporation
Advanced Technology Center
P.O. Box 400
Buffalo, New York 14225
(716) 632-7500
Research, development and testing services, electronic products and systems.

Arvinyl Division
Columbus, Indiana; Corona, California
Supplies industries with vinyl-to-metal laminates; this prefinished product is fabricated into microwave and computer housings, humidifiers, cameras, architectural panels, display cabinets, automotive parts, portable electric heaters, housewares, electronic equipment housings. Heat-sealed padded vinyls and form-padded vinyls used in office machines, appliances and the automotive industry.

Schrader Automotive Inc.
7422 Carmel Executive Park, Suite 100
Charlotte, North Carolina 28226
(704) 541-1018
Manufactures tire valves and accessories, tire pressure gauges, pneumatic connections, dual tire visualizers, tank valves, air conditioner components, valve cores, and bicycle valves.

Maremont Corporation
250 E. Kehoe Blvd.
Carol Stream, Illinois 60188
(708) 462-8500
Manufactures automotive shocks, struts, exhaust systems and related parts, gas springs and vacuum actuators.

North American Automotive Division
1531 13th Street
Columbus, Indiana 47201

Arvin North American Automotive
30903 Northwestern Highway
Farmington Hills, Michigan 48018-5627
(313) 855-0055

101 Center Street
Greenwood, Indiana 46142
(317) 881-2551

1001 Hurricane Avenue
Franklin, Indiana 46131
(317) 736-7111

505 Industrial Drive
North Vernon, Indiana 47265
(812) 346-5750

800 Columbus St., E.
Fayette, Alabama 35555
(205) 932-6735

P.O. Box 339
Dexter, Missouri 63841
(314) 624-7411

Arvin Automotive of Canada, Ltd.
(formerly General Tubes, Ltd.)
248 Bowes Road
Concord, Ontario L4K 1B4, Canada
(416) 669-1080
Manufactures specialty tubular products for automotive exhaust systems.

Roll Coater, Inc.
U.S. Route 40 East
P.O. Box 787
Greenfield, Indiana 46140
(317) 462-7761

Kingsbury Industrial Park
P.O. Box 326
Kingsbury, Indiana 46345
(219) 393-3561
Produces pre-decorated coils of aluminum and steel.

Systems Research Laboratories, Inc.
2800 Indian Ripple Road
Dayton, Ohio 45440-3696
(513) 426-6000
Manufactures sophisticated electronic monitoring systems and provides government and industrial customers with research and development services in the areas of aircraft systems, defense electronics and non-destructive material evaluation.

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60606

Stock Exchange(s): New York, Midwest

Ticker Symbol: ARV

Number of Employees:

1989	17,800	1986	17,823
1988	16,866	1985	11,421
1987	16,529		

Plant Footage:

1989	12,647,000 sq. ft.	1986	10,785,000
1988	12,083,000	1985	6,914,000
1987	10,555,000		

Sales & Earnings

	Net Sales #	Net Income
1989	$ 1,540,523,000	$ 18,415,000
1988	1,248,227,000	3,548,000
1987	1,245,299,000	47,588,000
1986	869,914,000	41,207,000
1985	671,589,000	35,872,000

	No. of Com. Shares +	Earn. per Share ‡
1989	18,784,000	$ 0.63
1988	18,655,000	0.01
1987	18,610,000	2.41
1986	16,160,000	2.46
1985	16,632,000	2.21

# Of continuing operations only.
+ Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Automotive orig. equip.	$ 620,261	$ 524,656
Automotive replacement	586,954	426,785
Technology	228,385	198,516
Industrial	104,923	98,270
Total	$ 1,540,523	$ 1,248,227

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	0.68	—	—
1988	0.68	—	
1987	0.68	—	—
1986	0.65	—	—
1985	0.61	—	4-for-3

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 358,252,000	$ 19.07
1988	358,535,000 +	19.22
1987	373,507,000 +	20.07
1986	259,185,000 +	16.04
1985	246,964,000 +	14.85

+ After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Net sales	$ 1,540,523	$ 1,248,227
Cost of sales	1,268,465	1,023,794
Expenses	193,433	155,061
Interest expense	42,257	21,986
Interest income	(4,167)	(3,053)
Other expense (income)	4,366	(6,725)
Restruc. charge	—	28,700
Income before taxes	$ 36,169	$ 28,464
Income taxes	16,502	12,144
Inc.-cont. oper.	$ 19,667	$ 16,320
Loss-discont. oper.	(1,252)	(12,772)
Net Income	$ 18,415	$ 3,548

* Included in Costs and Expenses, Depreciation: $47,527,000 in 1989 and $45,496,000 in 1988.

Assets
(000's)

As of	12/31/89	1/1/89
Cash and cash equiv.	$ 12,883	$ 22,164
Accts. receiv., net	278,396	253,685
*Inventories	185,551	176,862
Other current assets	46,679	43,844
Current Assets	$ 523,509	$ 496,555
#Fixed assets	355,163	337,332
Exc. of cost over assets acq.	198,467	176,567
Other assets	52,621	47,687
Total Assets	$ 1,129,760	$ 1,058,141

Liabilities
(000's)

Short-term debt	$ 94,926	$ 79,566
Accts. payable	101,423	90,021
Accrued emp. comp.	47,848	36,357
Accrued restruc. charge	4,360	13,851
Other accruals	41,511	47,067
Income taxes	11,534	10,892
Curr. Liabilities	$ 301,602	$ 277,754
Long-term debt	333,938	344,759
Minority interest	8,201	2,590
Deferred inc. taxes	57,312	24,503
+ Redeem. preferred stock	100,455	—
++ Preferred stock	—	48,712
+++ Common stock	52,521	52,140
Add. paid-in capital	131,469	129,398
Retained earnings	219,325	221,656
Cumulative translation adjustment	1,936	3,058
Treasury stock	(46,999)	(46,429)
Total Liabilities & Shareholders' Equity	$ 1,129,760	$ 1,058,141

* At lower of cost or market. Inventories in U.S. and Mexico at LIFO; all others at FIFO.
# Less accumulated depreciation and amortization.
+ No par value; 7.5% convertible exchangeable.
++ No par value.
+++ $2.50 par value.

Statistical Summary

% Net Income to Equity	5.14	0.87
Sales to Inventories	8.30	7.43
Debt to Equity	1.20	1.04
Working Capital	$ 221,907,000	$ 218,801,000
Current Ratio	1.74	1.79
Shareholders' Equity	$ 358,252,000	$ 408,535,000

ARX Inc.

35 South Service Road
Plainview, New York 11803
(516) 694-6700
FAX: (516) 694-6771

(Formerly Aeroflex Laboratories Incorporated)

Officers: Julius D. Winer, chairman of the board; Harvey R. Blau, vice chairman of the board; Michael Gorin, president; Richard A. Carey, v.p. finance & secretary.

Directors: Julius D. Winer, chairman; Harvey R. Blau, Robert Bradley, Milton Brenner, Ernest E. Courchene, Jr., Jerome Fox, Eugene Novikoff, John S. Patton, Maurice Friedman.

Areas of Work: Engaged in the design, development and production of precision stabilization and tracking devices, radio frequency filters, helical shock and vibration isolaters, advanced semiconductor sub-assemblies, magnetic products and electro-optical scanning devices. Also provides engineering support services to governmental agencies.

Subsidiaries:

Aeroflex Laboratories, Inc.
35 South Service Road
Plainview, New York 11803

Aeroflex International, Inc.
Caguas, Puerto Rico
Produces the Isolator product line

Aeroflex Systems Corp.
700 N. Fairfax Street
Alexandria, Virginia 22314
Supplies analytical, design and engineering, and specialized computer software support services to milliltary contractors involved in major weapons systems programs and to the U.S. armed forces.

Huxley Envelope Corp.
Brooklyn, New York
Manufactures custom-designed envelopes for end users such as banks, insurance companies, major corporations and the direct mail industry.

Filtron Co., Inc.
Old Bethpage, New York
Designs and manufactures radio frequency filters and shielded enclosures.

Vibration Mountings & Controls, Inc.
113 Main Street
Bloomingdale, New Jersey 07403
Manufactures shock and vibration control devices.

VTX Electronics Corp. (70%-owned)
Farmingdale, New York
Designs, distributes and assembles a wide range of electronic and video cabling systems.

Korfund Dynamics Corporation
Manufactures an industrial line of spring and rubber shocks mounts and acoustical dampeners and enclosures.

T-CAS, Inc.
McLean, Virginia
Specializes in the design and implementation of telecommunications and electronic systems for government, industrial and commercial customers.

Acquisition:

Comstron Corporation

Manufactures frequency synthesizers and subsystems and other frequency control products.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: ARX

Number of Employees:

1989	1,000
1988	1,300
1987	870
1986	845
1985	780

Plant Footage:

1989	380,000 sq.ft.
1988	311,000
1987	291,000
1986	291,000
1985	287,000

Sales & Earnings

	Net Sales	Net Income #
1989	$ 99,019,657	$ (5,097,801)
1988	86,695,374	4,919,748
1987	60,642,763	6,048,767
1986	53,951,512	5,136,839
1985	47,958,948	4,768,264

	No. of Com. Shares †	Earn. per Share #†
1989	8,319,616	$ —
1988	8,092,885	0.61
1987	6,668,837	0.91
1986	6,691,883	0.77
1985	6,604,783	0.72

(Loss)
# Including extraordinary loss of $245,408 ($0.03 per share) in 1988.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1989	1988
Mechanical syst.	$ 19,232,443	$ 25,571,652
Elect. & magnetic prods.	16,018,874	16,546,217
Syst. support & analysis	11,477,268	15,143,411
Envelopes	12,932,260	11,035,663
Electronic wire & cable distr.	40,421,128	19,127,695
Interseg. sales	(1,062,316)	(729,264)
Total	$ 99,019,657	$ 86,695,374

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	10%	
1987	—	—	5-for-4
1986	—	10% & 5%	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 52,247,460	$ 6.63
1988	60,007,713	7.16
1987	38,424,535	5.84
1986	33,266,680	5.07
1985	27,730,339	4.27

‡ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 99,019,657	$ 86,695,374
Other income	1,987,590	2,522,982
Total income	$ 101,007,247	$ 89,218,356
Cost of sales	75,932,764	61,685,490
Expenses	24,144,253	19,088,806
Interest expense	4,341,410	2,747,347
Special item	3,337,000	—
Eq. in loss (inc.) of affil.	(35,418)	99,978
Income (loss) bef. taxes	$ (6,712,782)	$ 5,596,735
Income taxes (credit)	(1,711,000)	400,000
Minority interest	96,019	31,579
Net Income (Loss)	$ (5,097,801)	$ 5,165,156
Extraord. loss	—	(245,408)
Net Income (Loss) & extraord. loss	$ (5,097,801)	$ 4,919,748

* Included in Costs and Expenses, Depreciation and Amortization: $4,352,609 in 1989 and $4,579,415 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 1,126,612	$ 4,772,854
Short-term invest.	513,727	9,679,029
Accounts receiv., net	28,437,422	29,097,849
Refund inc. taxes	351,340	1,830,124
*Inventories	26,238,226	25,620,197
Prepaid expenses & other assets	1,542,433	1,353,775
Deferred inc. taxes	31,000	—
Current Assets	$ 58,240,760	$ 72,353,828
Invested cash	8,118,000	6,267,000
#Fixed assets	24,801,409	28,714,414
Market. eq. secur.	6,250,266	388,136
Intangibles	7,237,679	7,425,489
Other assets	834,634	1,261,059
Total Assets	$ 105,482,748	$ 116,409,926

Liabilities

Bank loan payable	$ 2,500,000	$ 2,500,000
Long-term debt. curr.	315,298	367,375
Accts. payable	8,001,889	6,806,921
Accruals	4,559,176	4,850,968
Inc. taxes pay.	482,661	541,583
Curr. Liabilities	$ 15,859,024	$ 15,066,847
Long-term debt	35,077,102	37,267,138
Deferred income taxes	719,000	2,548,000
Minority interest	1,580,162	1,520,228
+Common stock	912,547	911,818
Add. paid-in capital	56,424,363	56,459,341
Retained earnings	2,662,057	7,759,858
Treasury stock	(7,671,706)	(5,055,293)
Unrealized loss on invest.	(80,801)	(68,011)
Total Liabilities & Shareholders' Equity	$ 105,482,748	$ 116,409,926

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.46
%Net Income to Sales	—	5.96
%Net Income to Equity	—	8.61
Sales to Inventories	3.77	3.38
Debt to Equity	0.12	0.67
Working Capital	$ 42,381,736	$ 57,286,981
Current Ratio	3.67	4.80
Shareholders' Equity	$ 52,247,460	$ 60,007,713

Astrex, Inc.

205 Express Street
Plainview, New York 11803
(516) 433-1700
FAX: (516) 433-1796

Officers: Ronald S. Kass, president & chief executive officer; Frederick I. Levy, v.p. & secretary.

Directors: Mark Schindler, Frederick I. Levy, Ronald S. Kass, Thomas J. Sandleitner, John C. Loring.

Areas of Work: Sale & distribution of a broad spectrum of connectors, electromechanical, devices, electronic parts and components.

Divisions and Subsidiaries:

Resco Electronics Division
Pennsauken, New Jersey
(609) 662-4000

Progress Electronics Co., Inc.
Plainview, New York 11803

Progress International Ltd.
Plainview, New York 11803
(516) 433-1700

T.F. Cushing, Inc.
West Springfield, Massachusetts

Connector Company Division
Hamden, Connecticut
(203) 624-0127

ASI Electronics Corporation
Endwell, New York
(607) 754-3823

Transfer Agent(s):

Mellon Securities Trust Company (common stock)
New York, New York

United States Trust Company of New York (debentures)
New York, New York

Stock Exchange(s): American

Ticker Symbol: ASI

Number of Employees:

1989	95	1987	115
1988	N.A.		

N.A.--Not Available.

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 17,443,018	$ 684,133
1989	19,941,532	(617,207)
1988	22,166,330	(2,508,940)
1987	21,716,487	(4,265,748)
1986	25,176,459	1,125,867

	No. of Com. Shares ‡	Earn per Share #‡
1990	1,074,347	$ 0.64
1989	1,074,347	—
1988	1,074,347	—
1987	1,081,131	—
1986	1,213,855	0.93

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $2,373,889 ($2.21 per share) in 1990 and $313,000 in 1989.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ (1,792,435)	$ —
1989	(2,476,568)	—
1988	(1,859,361)	—
1987	649,579	0.60
1986	5,449,832	4.49

(Deficiency)
‡ Based on the average number of shares outstanding.

Income Account*

Year ended March 31	1990	1989
Net sales	$ 17,443,018	$ 19,941,532
Other income	296,862	281,915
Total revenues	$ 17,739,880	$ 20,223,447
Cost of sales	13,174,065	14,622,376
Expenses	4,792,364	4,758,058
Prov. for doubt. accts.	65,322	63,578
Interest expense	1,397,885	1,642,719
Loss before taxes	$ (1,689,756)	$ (863,284)
Income taxes	—	66,923
Net Loss	$ (1,689,756)	$ (930,207)
Extraord. gain	2,373,889	313,000
Net Loss & Extraord. gain	$ 684,133	$ (617,207)

* Included in Costs and Expenses, Depreciation and Amortization: $325,994 in 1990 and $281,471 in 1989.

Assets

As of March 31	1989	1988
Cash & cash equiv.	$ 240,234	$ 2,642,278
Accts & notes receiv., net	2,009,623	2,218,317
Loans to employees	52,836	60,687
Refund. inc. taxes	56,480	—
*Inventories	7,234,373	7,119,139
Prepaid expenses	30,791	51,704
Deben. issuance costs	—	44,042
Current Assets	$ 9,624,337	$ 12,136,167

#Fixed assets	810,520	514,228
Prop. held for rental	916,294	944,928
Debenture issu. costs	365,480	524,915
Note receiv.-officer	265,000	265,000
Exc. of cost over assets acq.	970,785	970,785
Other assets	318,251	160,230
Total Assets	$ 13,270,667	$ 15,516,253

Liabilities

Loans payable	$ 3,263,805	$ 2,500,000
Covert. subord. deben. pay	—	953,000
Long-term debt, curr.	—	200,000
Accts. payable	1,465,741	833,22135
Accruals	263,755	464,678
Inc. taxes pay.	—	15,008
Curr. Liabilities	$ 4,993,301	$ 4,965,907
Est. loss on guarantees	288,846	300,000
Long-term debt	9,780,955	12,726,914
+Common stock	306,780	306,780
Add. paid-in capital	9,957,119	9,957,119
Retained earnings (deficit)	(2,311,405)	(2,995,538)
Treasury stock	(9,744,929)	(9,744,929)
Total Liabilities & Shareholders' Equity	$ 13,270,667	$ 15,516,253

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.16 2/3 par value.

Statistical Summary

%Net Income to Sales	3.92	—
Sales to Inventories	2.41	2.80
Working Capital	$ 4,631,036	$ 7,827,734
Current Ratio	1.93	2.14
Shareholders' Equity (Deficiency)	$ (1,792,435)	$ (2,476,568)

Astro-Med, Inc.

Astro-Med Industrial Park
600 East Greenwich Avenue
West Warwick, Rhode Island 02893
(401) 828-4000
FAX: (401) 822-2430

Officers: Albert W. Ondis, chairman & chief executive officer; Everett V. Pizzuti, president & chief operating officer; Jacques V. Hopkins, secretary; Eugene S. Libby, v.p., treasurer & chief financial officer; David M. Gaskill, v.p.-research & development; Gordon W. Bentley, v.p.-manufacturing, Instruments; Elias G. Deeb, v.p.-media products; William T. Brosnan, controller.

Directors: Albert W. Ondis, Jacques V. Hopkins, Everett V. Pizzuti, Allan M. Gittleman, Hermann Viets, Edward M. Watson.

Areas of Work: Designs, develops, manufactures and sells a comprehensive line of high speed graphic recording and printing systems.

Subsidiaries:

Astro-Med International, Inc.
Foreign Sales Corporation (FSC)

Astro-Med, Inc.
England

Astro-Med SNC
France

Astro-Med GmbH
Germany

Transfer Agent(s):

Fleet National Bank
Providence, Rhode Island

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOT (NASDAQ)

Number of Employees:

1989	225	1986	185
1988	215	1985	180
1987	205		

Plant Footage:

1989	70,000 sq. ft.	1986	67,000
1988	67,000	1985	67,000
1987	67,000		

Sales & Earnings

	Net Sales †	Net Income
1989	$ 23,677,047	$ 1,643,991
1989	21,378,950	2,110,609
1988	16,308,989	1,440,667
1987	12,174,844	659,640
1986	10,686,771	931,884

	No. of Com. Shares +	Earn. per Share #
1989	3,266,884	$ 0.50
1989	3,261,488	0.64
1988	3,250,695	0.44
1987	3,242,034	0.21
1986	3,208,491	0.29

† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 15,334,925	$ 4.69
1989	13,649,817	4.19
1988	11,403,398	3.51
1987	10,115,412	3.12
1986	9,299,256	2.90

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 23,677,047	$ 21,378,950
Cost of sales	12,702,742	10,956,624
Expenses	8,326,432	6,929,733
Interest income	(236,413)	(208,632)
Interest expense	217,576	225,166
Other expense	74,719	20,450
Inc. bef. taxes	$ 2,591,991	$ 3,455,609
Income taxes	948,000	1,345,000
Net Income	$ 1,643,991	$ 2,110,609

* Included in Costs and Expenses, Depreciation and Amortization: $728,927 in 1990 and $638,737 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 1,106,409	$ 698,892
Short-term invest.	1,390,254	1,554,734
Accts. receiv., net	4,966,564	4,696,417
*Inventories	4,022,084	3,313,259
Prepaid expenses & other curr. assets	628,142	422,609
Current Assets	$ 12,113,453	$ 10,685,911
#Fixed assets	7,198,312	7,425,229
Other assets	2,053,443	2,088,078
Total Assets	$ 21,365,208	$ 20,199,218

Liabilities

Long-term debt, curr.	$ 506,703	$ 506,703
Accts. payable	1,165,672	1,181,560
Accrued compensation	421,348	525,604
Other accruals	661,510	548,798
Income taxes	185,415	376,605
Curr. Liabilities	$ 2,940,648	$ 3,139,270
Long-term debt	1,964,253	2,470,956
Deferred inc. taxes	1,125,382	939,175
+ Common stock	163,344	163,074
Add. paid-in capital	4,579,678	4,533,623
Retained earnings	11,010,614	9,366,623
Unreal. loss on eq. secur.	(41,245)	(25,370)
Treasury stock	(377,466)	(388,133)
Total Liabilities & Shareholders' Equity	$ 21,365,208	$ 20,199,218

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.95	16.16
%Net Income to Sales	6.94	9.87
%Net Income to Equity	10.72	15.46
Sales to Inventories	5.89	6.45
Debt to Equity	0.16	0.22
Working Capital	$ 9,172,805	$ 7,546,641
Current Ratio	4.12	3.40
Shareholders' Equity	$ 15,334,925	$ 13,649,817

Astrosystems, Inc.

6 Nevada Drive
Lake Success, New York 11042
(516) 328-1600
FAX: (516) 328-1658

Officers: Seymour Barth, chairman of the board & president; Elliot J. Bergman, vice president & secretary; Gilbert H. Steinberg, vice president & treasurer.

Directors: Seymour Barth, Elliot J. Bergman, Morton L. Certilman, Gilbert H. Steinberg, Walter Steinberg.

Areas of Work: Designs and manufactures power conversion devices which are used in military electronic equipment. The company also produces electromechanical products for precision measurement and control, primarily in conjunction with computers, programmable controllers and microprocessors.

Divisions and Subsidiaries:

Astrosystems International, Inc.
6 Nevada Drive
Lake Success, New York 11042

AstroPower Inc.
30 Lovett Avenue
Newark, Delaware 19711

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASTR (NASDAQ)

Number of Employees:

1989	190	1986	217
1988	225	1985	170
1987	N.A.		

N.A.- Not Available.

Plant Footage:

1989	70,250 sq.ft.	1986	64,675
1988	70,250	1985	37,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 12,775,000	$ (560,000)
1988	13,965,000	379,000
1987	13,192,000	2,384,000
1986	12,212,000	2,828,000
1985*	7,422,000	1,853,000

	No. of Com. Shares	Earn. per Share ‡
1989	5,586,000	$ —
1988	5,682,000	0.07
1987	5,868,000	0.40
1986	5,861,000	0.51
1985*	4,995,000	0.35

(Loss)
* 10 months.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 33,831,000	$ 6.06
1988	34,888,000	6.14
1987	35,561,000	6.06
1986	33,177,000	5.66
1985	25,668,000	5.14

Income Account *

Year ended June 30	1989	1988
Net sales	$ 12,775,000	13,965,000
Cost of sales	13,244,000	12,802,000
Expenses	2,832,000	2,824,000
Investment income	(2,138,000)	(1,905,000)
Inc. (loss) bef. taxes	$ (1,163,000)	$ 244,000
Tax credit	(603,000)	(135,000)
Net Income (Loss)	$ (560,000)	$ 379,000

* Included in Costs and Expenses, Depreciation and Amortization: $289,000 in 1989 and $285,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 14,610,000	$ 11,436,000
Marketable securities	15,484,000	16,826,000
Accts. & notes receiv.	4,302,000	7,604,000
* Inventories	5,271,000	7,190,000
Prepaid inc. taxes	1,129,000	897,000
Prepaid expenses & other curr. assets	1,509,000	854,000
Current Assets	$ 42,305,000	$ 44,807,000
Long-term invest.	1,017,000	648,000
# Fixed assets	952,000	1,023,000
Total Assets	$ 44,274,000	$ 46,478,000

Liabilities

Accts. payable	$ 346,000	$ 725,000
Accrued payroll & profit-sharing	599,000	717,000
Other accruals	323,000	370,000
Curr. Liabilities	$ 1,268,000	$ 1,812,000
Deferred taxes	9,175,000	9,778,000
+ Common stock	559,000	568,000
Add. paid-in capital	10,313,000	10,801,000
Retained earnings	22,959,000	23,519,000
Total Liabilities & Shareholders' Equity	$ 44,274,000	$ 46,478,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation. # Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.75
%Net Income to Sales	—	2.71
%Net Income to Equity	—	1.09
Sales to Inventories	2.42	1.94
Working Capital	$ 41,037,000	$ 42,995,000
Current Ratio	33.36	24.73
Shareholders' Equity	$ 33,831,000	$ 34,888,000

Atari Corporation

1196 Borregas Avenue
Sunnyvale, California 94086
(408) 745-2000
FAX: (408) 745-4306

Officers: Jack Tramiel, chairman of the board; Sam Tramiel, president & chief executive officer; Gregory A. Pratt, v.p.-finance & chief financial officer; Garry Tramiel, v.p.-administration & secretary; Leonard Tramiel, v.p.-software development; Elton Southard, v.p.-semiconductor operations; Samuel W.L. Chin, vice president; Taro Tokai, vice president; Steven M. Kawalick, v.p. & treasurer; August J. Liguori, v.p.; Richard Miller, v.p.-technology; Simon P. Westbrook, v.p.-controller.

Directors: Jack Tramiel, chairman; Sam Tramiel, Samuel W. L. Chin, Leonard I. Schreiber, Gregory A. Pratt, Michael Rosenberg.

Areas of Work: Manufactures personal computers and related peripherals and accessories and video game systems.

Subsidiaries:

Atari (Benelux) B.V.
Atari (Canada) Corp.
Atari Computers Pty. Ltd.
Atari France S.A.
Atari Computers GmbH
Atari Italia S.P.A.
Atari (Japan) Corp.
Atari (Mexico) S.A. de C.V.
Atari (Mexico) Fabricante S.A. de C.V.
Atari Corp. Sverige AB-(Sweden)
Atari (Schweiz) AG
Atari Taiwan Manufacturing Corp.
Atari Corp. (U.K.) Ltd.
Atari Technology Corp.
Atari (U.S.) Corporation
Atari Explorer Publications Corp.
Ordenadores Atari S.A.
Styra Semiconductor Corporation
Tambercombe Ltd. (Hong Kong)
Tramel Trading Ltd.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American, Midwest, Pacific, Philadelphia

Ticker Symbol: ATC

Number of Employees:

1989	1,400	1987	4,090
1988	1,780		

Plant Footage:

1989	100,000 sq. ft.	1987	180,000
1988	180,000		

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 423,606,000	$ 4,017,000
1988	452,201,000	(84,818,000)
1987	362,608,000	57,429,000
1986	258,131,000	44,516,000
1985	141,987,000	(14,314,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	57,698,000	$ 0.07
1988	57,739,000	—
1987	57,703,000	0.99
1986	57,788,000	0.95
1985	32,683,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $13,277,000 ($0.23 per share) in 1987 and $19,466,000 ($0.42 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 85,999,000	$ 1.49
1988	82,231,000	1.42
1987	167,655,000	2.91
1986	105,422,000	1.82
1986	(19,477,000)	—

(Deficiency)

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 423,606	$ 452,201
Cost of sales	309,419	280,448
Expenses:		
Res. & develop.	24,613	21,364
Mktng. & distr.	66,423	71,874
Gen. & adm.	19,473	18,923
Interest expense	6,287	4,783
Interest income	(4,107)	(5,351)
Other expense (income)	(971)	1,657
Income before taxes	$ 2,469	$ 58,503
Income taxes (credit)	(1,548)	19,100
Inc.-cont. oper.	$ 4,017	$ 39,403
Loss-discont. oper.	—	(124,221)
Net Income (Loss)	$ 4,017	$ (84,818)

* Included in Costs and Expenses, Depreciation and Amortization: $2,483,000 in 1989 and $2,076,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 54,912	$ 91,890
Accts. receiv., net	106,972	100,564
*Inventories	129,881	117,903
Prepaid expenses	4,726	3,403
Other curr. tax assets	10,322	10,322
Current Assets	$ 306,813	$ 324,082
#Fixed assets	13,900	8,463
Other assets	9,939	5,813
Total Assets	$ 330,652	$ 338,358

Liabilities
(000's)

Notes payable	$ 35,433	$ 18,509
Accts. payable	84,072	52,651
Net liab.-discont. oper.	11,868	47,401
Income taxes	367	11,435
Accruals	35,511	50,131
Curr. Liabilities	$ 167,251	$ 180,127
Long-term oblig.	77,402	75,000
+Common stock	577	577
Add. paid-in capital	143,226	142,658
Notes receiv.-stock sale	(827)	(1,141)
Retained earnings (deficit)	(55,928)	(59,945)
Trans. adjust.	(1,049)	1,082
Total Liabilities & Shareholders' Equity	$ 330,652	$ 338,358

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.58	—
%Net Income to Sales	0.95	—
%Net Income to Equity	4.67	—
Sales to Inventories	3.26	3.84
Debt to Equity	1.31	1.12
Working Capital	$ 139,562,000	$ 143,955,000
Current Ratio	1.83	1.80
Shareholders' Equity	$ 85,999,000	$ 83,231,000

Audiotronics Corporation

7428 Bellaire Avenue
North Hollywood, California 91605
(818) 765-2645

Mailing Address:
Box 3997
North Hollywood, California 91609

Officers: Charles A. Musson, chairman, president & chief exec. officer; James R. Hopkins, sr. v.p.-finance & secretary; William Y. Kim, v.p., treasurer & controller.

Directors: James R. Hopkins*, Charles A. Musson*, Walter Liberato, Robert H. Klugman, William Y. Kim*.

* Member of the Executive Committee

Areas of Work: Designs, engineers and markets audiovisual products and instructional programs for education and training applications.

Subsidiary:

Leda Corporation
Develops prototypes and assembles parts for various electronic industry companies.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: ADO

Number of Employees: (at fiscal year end)

1988	65	1985	219
1987	34	1984	286
1986	54		

Plant Footage:

1988	N.A.	1986	65,000
1987	65,000 sq. ft.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1988	$ 5,165,000	$ (1,586,000)
1987	5,614,000	(295,000)
1986	5,668,000	(1,764,000)
1985	5,881,000	(2,889,000)
1984	7,106,000	556,000

	No. of Com. Shares #	Earn. per Share #
1988	1,189,161	$ —
1987	1,189,161	—
1986	1,189,161	—
1985	1,189,161	—
1984	1,216,104	0.46

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	
1986	—	—	—
1985	—	—	—
1984	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 376,000	$ 0.32
1987	1,960,000	1.65
1986	2,227,000	1.87
1985	3,989,000	3.35
1984	7,347,000	6.04

# Based on the weighted average number of common shares outstanding.

Income Account *

Year ended June 30	1988	1987
Net sales	$ 5,165,057	$ 5,614,048
Cost of sales	4,333,455	4,394,180
Selling expenses	492,196	515,602
Interest expense	552,578	140,851
Gen. & adm. expense	1,373,316	858,642
Net Loss	$ (1,586,488)	$ (295,227)

* Included in Costs and Expenses, Depreciation: $145,421 in 1988 and $148,700 in 1987.

Assets

As of June 30	1988	1987
Cash	$ 85,266	$ 124,139
Short-term invest.	1,521,439	3,549,235
Notes receivable	—	419,554
Accts. receiv., net	811,173	659,590
*Inventories	2,310,295	1,424,824
Prepaid expenses	48,074	67,363
Current Assets	$ 4,776,247	$ 6,244,705
#Fixed assets	539,942	474,583
Debenture costs	963,954	1,040,470
Other assets	199,759	22,943
Total Assets	$ 6,479,902	$ 7,782,701

Liabilities

Accts payable	$ 364,877	$ 268,087
Accrued payroll	350,338	80,957
Other accruals	18,057	57,539
Curr. Liabilities	$ 733,272	$ 406,583
Conv. subord. debentures	5,371,000	5,416,000
+Common stock	1,336,597	1,336,597
Add. paid-in capital	2,706,878	4,269,396
Retained earnings (deficit)	(2,207,311)	(620,823)
Treasury stock	(1,047,288)	(1,047,288)
Employee stock ownership	(413,246)	(1,977,764)
Total Liabilities & Shareholders' Equity	$ 6,479,902	$ 7,782,701

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	2.24	3.94
Working Capital	$ 4,042,975	$ 5,838,122
Current Ratio	6.51	15.36
Shareholders' Equity	$ 375,630	$ 1,960,118

Augat Inc.

89 Forbes Boulevard
P.O. Box 448
Mansfield, Massachusetts 02048
(508) 543-4300
FAX: (508) 543-7019

Officers: Marcel P. Joseph, chairman of the board, chief executive officer, & president; Gerald F. Barrett, v.p.-corporate development; Ronald D. Yancey, v.p. & chief financial officer; Richard Eaton, v.p.-human resources; Ronald Tarrant, v.p. & gen. mgr.-communications division; Charles Henritzy, sr. v.p.-Worldwide Automotive Products; John E. Lynch, Jr., treasurer; Daniel J. Maher, Jr., corporate controller; Michael Deery, v.p.-international manufacturing; Anthony F. Lefkowicz, v.p. & gen. mgr.-automotive; Robert C. McIntyre, v.p. & gen. mgr.-interconnection products division; Kevin C. Walker, v.p.-international marketing; Thomas E. Neely, clerk.

Directors: Ernest H. Augat, Samuel S. Dennis, III, James A. Harmon, Vernon R. Alden, David V. Ragone, Marcel P. Joseph, John N. Lemasters, Stephen F. Page, Norton Q. Sloan, Alan J. Zakon.

Areas of Work: Designs and manufactures electromechanical components, and precision materials for the electronic industry. The Company's principal products include integrated circuit sockets and accessories, connectors, coaxial cable network and fiberoptic interconnection products, subminiature switches, packaging panels, high density backplanes, computer aided design and wiring services, interconnection test probes and systems, and custom connector assemblies for the automotive and telecommunications industry.

Divisions and Subsidiaries:

Communications Group
Horseheads & Elmira, New York
Jupiter, Florida
Seattle, Washington

Interconnection Products Group
Attleboro, Mashpee, New Bedford, North Andover, & North Attleboro, Massachusetts; Carol Stream, Illinois; Lewisville, Texas; Newbury Park & Upland, California; Saddle Brook, New Jersey; Sanford, Maine; Smithfield, Rhode Island; Bioggio, Switzerland; Gotemba, Japan; Limerick, Ireland; Singapore.

Automotive Group
Boyne City, Chesterfield, Clinton, East Jordan,
Mt. Clemens, & Troy, Michigan
San Antonio, Texas

Isotronics, Inc.
New Bedford, Massachusetts

Alcoswitch
North Andover, Massachusetts

Reed Devices, Inc.
Carol Stream, Illinois

Elfab Inc.
Manufactures non-military market press-fit high density backplanes and very high density connectors using both press-fit and surface mounting technology.

Altair International, Inc.

Telzon, Inc.

International Marketing

Augat Ltd.
Milton Keynes, England

Augat S.A.
Fresnes, France

Augat A.G.
Zug, Switzerland

Augat GmbH
Munich, Germany

Augat A.B.
Stockholm, Sweden

Augat Pty.
Sydney, Australia

Augat KK
Yokahoma, Japan

Augat Electronics, Inc.
Mississauga, Canada

Transfer Agent(s):

Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AUG

Number of Employees:

1989	2,900	1986	3,700
1988	3,600	1985	3,800
1987	3,800		

Plant Footage:

1989	1,129,400 sq. ft.	1986	1,530,000
1988	1,330,000	1985	1,378,000
1987	1,619,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 306,647,000	$ 14,900,000
1988	320,988,000	(22,822,000)
1987	313,219,000	11,529,000
1986	260,356,000	(8,726,000)
1985	255,038,000	12,064,000

	No. of Com. Shares #	Earn. per Share #
1989	17,962,000	$ 0.83
1988	17,891,000	—
1987	17,830,000	0.65
1986	17,770,000	—
1985	17,717,000	0.68

(Loss)
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.40	—	—
1988	0.40	—	
1987	0.40	—	—
1986	0.40	—	—
1985	0.38	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 185,519,000	$ 10.33
1988	181,940,000	10.17
1987	213,670,000	11.98
1986	196,938,000	11.08
1985	203,597,000	11.49

+ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 306,647,205	$ 320,987,830
Cost of sales	221,016,329	244,793,855
Expenses	62,566,206	64,535,127
Restructuring costs	2,500,000	39,000,000
Interest income	(3,406,504)	(368,525)
Interest expense	2,185,174	2,618,557
Income (loss) bef. taxes	$ 21,786,000	$ (29,591,184)
Income taxes (credit)	6,886,000	(6,703,000)
Minority interest	—	(66,000)
Net Income (Loss)	$ 14,900,000	$ (22,822,184)

* Included in Costs and Expenses, Depreciation and Amortization: $16,585,445 in 1989 and $18,026,385 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & time deposits	$ 22,939,977	$ 17,263,142
Short-term investments	473,045	808,726
Accts. receiv., net	52,850,123	54,224,862
Refund. income taxes	1,106,000	6,319,000
*Inventories	60,966,470	73,911,720
Prepaid expenses	2,213,306	1,389,752
Current Assets	$ 140,548,921	$ 153,917,202
#Fixed assets	99,406,199	120,793,611
Other assets	12,076,564	3,682,367
Total Assets	$ 252,031,684	$ 278,393,180

Liabilities

Notes payable	$ 4,000,000	$ 4,000,000
Long-term debt, curr	2,610,211	3,510,913
Accts. payable	10,997,216	15,511,166
Taxes payable	4,867,675	4,116,168
Accrued restructuring costs	4,169,942	23,915,728
Accrued payroll and other compensations	9,739,750	9,665,977
Other accruals	4,217,914	5,531,785
Curr. Liabilities	$ 40,602,708	$ 66,251,737
Long-term debt	16,098,302	21,206,971
Minority interest	82,014	82,014
Deferred inc. taxes	9,730,151	8,912,935
+Common stock	1,800,178	1,792,283
Add. paid-in capital	57,716,158	56,768,350
Retained earnings	116,102,420	108,383,509
Curr. trans. adj.	10,009,210	15,104,838
Treasury stock	(109,457)	(109,457)
Total Liabilities & Shareholders' Equity	$ 252,031,684	$ 278,393,180

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.10	—
%Net Income to Sales	4.86	—
%Net Income to Equity	8.03	—
Sales to Inventories	5.03	4.34
Debt to Equity	0.12	0.16
Working Capital	$ 99,946,213	$ 87,665,465
Current Ratio	3.46	2.32
Shareholders' Equity	$ 185,518,509	$ 181,939,523

Auric Corporation

470 Frelinghuysen Avenue
Newark, New Jersey 07114
(201) 242-4110
FAX: (201) 242-5796

Officers: Maurice Bick, president; Leo Kosowsky, vice president.

Directors: Maurice Bick, Leo Kosowsky, Theodore Cohn, Theodore Doll, Jr., Irving Marcus, Leonard Wood.

Areas of Work: Providing chemical products, gold processes and solutions equipment and materials, all of which are used in the electronics, aerospace, computer metalworking and jewelry industries.

Division:

Fidelity Chemical Products Corporation

Transfer Agent(s):

Midlantic National Bank
Newark, New Jersey

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	60	1986	50
1988	58	1985	45
1987	56		

Plant Footage:

1989	30,000 sq. ft.	1986	20,000
1988	25,000	1985	20,000
1987	20,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 15,436,420	$ 679,260
1988	12,992,719	971,662
1987	9,697,646	341,376
1986	7,444,756	125,065
1985	8,902,860	255,137

	No. of Com. Shares	Earn. per Share ‡
1989	369,600	$ 1.83
1988	370,800	2.53
1987	370,800	0.85
1986	401,500	0.31
1985	401,500	0.64

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 4,300,574	$ 11.64
1988	3,633,019	9.80
1987	2,747,857	7.02
1986	2,454,330	6.11
1985	2,329,265	5.80

Income Account*

Year ended Sept. 30	1989	1988
Net sales	$ 15,436,420	$ 12,992,719
Cost of sales	10,772,623	8,515,552
Expenses	3,194,691	2,913,893
Interest expense	120,222	94,383
ESOP contribution	423,257	—
Interest income	(110,726)	(80,438)
Other income	(11,490)	(14,333)
Income before taxes	$ 1,047,843	$ 1,563,662

Income taxes		368,533		592,000
Net Income	$	679,260	$	971,662

• Included in Costs and Expenses, Depreciation and Amortization: $217,998 in 1989 and $189,553 in 1988.

Assets

As of Sept. 30		1989		1988
Cash	$	885,264	$	825,001
Marketable securities		795,125		600,375
Accts. receiv., net		1,879,874		2,073,435
•Inventories		1,244,784		965,860
Inc. tax refund receiv.		72,634		—
Prepaid exp. & other assets		275,087		273,331
Current Assets	$	5,152,768	$	4,738,002
#Fixed assets		1,666,596		1,141,504
Value of life insur.		222,167		184,592
Other assets		5,185		5,185
Total Assets	$	7,046,716	$	6,069,283

Liabilities

Bank notes payable	$	550,000	$	—
Other notes payable		165,992		121,840
Long-term debt, curr.		110,000		110,000
Accts. payable		921,007		1,329,031
Accruals		601,110		298,960
Inc. taxes pay.		—		162,400
Curr. Liabilities	$	2,348,109	$	2,022,231
Long-term debt		195,833		305,833
Deferred inc. taxes pay.		202,200		108,200
+Common stock		36,960		37,080
Add. paid-in capital		313,791		325,376
Retained earnings		3,949,823		3,270,563
Total Liabilities & Shareholders' Equity	$	7,046,716	$	6,069,283

•At lower of cost or market. Gold at LIFO; chemicals, solvents and supplies are valued using the FIFO method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales		6.79		12.03
%Net Income to Sales		4.40		7.48
%Net Income to Equity		15.79		26.75
Sales to Inventories		12.40		13.45
Debt to Equity		0.24		0.15
Working Capital	$	2,804,659	$	2,715,771
Current Ratio		2.19		2.34
Shareholders' Equity	$	4,300,574	$	3,633,019

Automatix Incorporated

755 Middlesex Turnpike
Billerica, Massachusetts 01821
(617) 667-7900
FAX: (617) 663-5482

Officers: Michael J. Cronin, president & chief exec. officer; John J. Dias, v.p.-finance & treasurer; David L. Engel, secretary.

Directors: Michael J. Cronin, R. Schorr Berman, Arthur H. Reidel, Fontaine K. Richardson.

Areas of Work: The Company has two divisions operating within the field of factory automation. The Adaptive Automation Division develops, manufactures, markets and services adaptive automation systems that integrate robotics, machine control software, artificial vision and other sensors, all based on the Company's computer hardware and software technology. The CAD/CAM Division develops, markets and services a family of full function, 3-D design and 2-D drafting software used to provide total drafting control.

Divisions:

Adaptive Automation Division
CAD/CAM Division

SuperCads, Inc.
Santa Clara, California
Developed a platform independent full functionality three-dimensional CAD software package for mechanical design and drafting.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AITX (NASDAQ)

Number of Employees:

1989 94
1988 86
1987 129
1986 168
1985 291

Plant Footage:

1989 . . . . 28,785 sq. ft.
1988 53,000
1987 70,000

Sales & Earnings

		Revenues		Net Income #
1989	$	7,443,000	$	(2,298,000)
1988		10,704,000		(4,977,000)
1987		12,015,000		(5,384,000)
1986		18,507,000		(8,857,000)
1985		29,478,000		(8,085,000)

	No. of Com Shares ‡		Earn. per Share #‡
1989	18,342,000	$	—
1988	17,489,000		—
1987	13,558,000		—
1986	12,999,000		—
1985	12,930,000		—

(Loss)
# Including extraordinary gain of $1,713,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1989	$	(1,502,000)	$	—
1988		765,000		0.04
1987		5,791,000		0.43
1986		6,665,000		0.51
1985		12,418,000		0.96

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31		1989		1988
Revenues	$	7,443	$	10,704
Cost of revenues		3,090		6,499
Expenses:				
Research & develop.		2,884		3,148
Marketing		2,354		3,127
Gen. & administrative		1,289		1,235
Other		—		1,500
Interest expense		164		172
Net Loss	$	(2,298)	$	(4,977)

• Included in Costs and Expenses, Depreciation and Amortization: $200,000 in 1989 and $296,000 in 1988.

Assets
(000's)

As of Dec. 31		1989		1988
Cash & cash equiv.	$	1,169	$	2,351
Accts. receiv., net		1,743		1,699
•Inventories		428		666
Prepaid rent		24		295
Other curr. assets		77		58
Current Assets	$	3,441	$	5,069
#Fixed assets		348		338
Software license		165		—
Total Assets	$	3,954	$	5,407

Liabilities
(000's)

Subord. convert. notes	$	25	$	3,000
Accounts payable		447		601
Adv. from customers		510		239
Accruals		857		802
Curr. Liabilities	$	1,839	$	4,642
Note pay.-software license		165		—
Subordinated notes		2,952		—
Minority interest		500		—
+Common stock		919		912
Add. paid-in capital		48,651		48,623
Accum. deficit		(51,325)		(49,027)
Eq. adjust from for. curr. trans.		253		257
Total Liabilities & Shareholders' Equity	$	3,954	$	5,407

• At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

Working Capital	$	1,602,000	$	427,000
Current Ratio		1.87		1.09
Shareholders' Equity (Deficiency)	$	(1,502,000)		765,000

Auto-trol Technology Corporation

12500 North Washington Street
Denver, Colorado 80241-2404
(303) 452-4919
FAX: (303) 252-2249

Officers: Howard B. Hillman, chairman of the board & president; Jerry T. Sisson, v.p.-field operations; Richard M. Burkley, v.p.-research & development; David P. Hanna, v.p.-sales; Denny L. Chrismer, v.p.-international operations; Gail E. D. Heinzman, secretary; David Brents, asst. controller; Allyson S. Kissell, asst. secretary.

Directors: Howard B. Hillman, chairman; William R. Usher, William R. Hambrecht, J. Roderick Heller, III.

Areas of Work: Provides a full range of integrated products and services to solve automation problems for companies involved in building design, industrial plant design, process plant design, electronic publishing, telecommunications, and machine tooling.

Subsidiaries:

Auto-trol International Corporation
Auto-trol Technology Europe, Ltd.
Auto-trol Acquisition, Inc.
Auto-trol Technology (Canada) Ltd.
Auto-trol Advertising, Inc.
ATTC International Sales Corporation
Auto-trol Technology A.B.
Auto-trol Technology GmbH
Auto-trol Technology S.A.
Auto-trol Technology Ltd.

Autotrol Technology S.A.
31, Rue Delizy
Pantin 93500, France

Autotrol Technology GmbH
Wanheimerstr. 39
Dusseldorf 30 4000, West Germany

Auto-trol Technology Australia
Suite 1603, Northpoint
100 Miller Street
North Sydney NSW 2060, Australia

Autotrol Technology Ltd.
Neville House
42/46 Hagley Road, Edgbaston
Birmingham B16 8PZ, England

Auto-trol Scandinavia AB
All Favagen 1-3
S-191 47 Sollentuna,
Sweden

Autotrol Technology GmbH
Paul-Gerhardt-Allee 50
8000 Munich 60, West Germany

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATTC (NASDAQ)

Number of Employees:

1989	760	1986	N.A.
1988	706	1985	672
1987	700		

Plant Footage:

1989	127,000 sq. ft.	1986	127,000
1988	127,000	1985	127,000
1987	127,000		

N.A. - Not Available

Sales & Earnings x

	Revenues	Net Income
1989	$ 77,396,000	$ (2,440,000)
1988	78,225,000	2,141,000
1987*	53,764,000	1,162,000
1986	62,358,000	(7,038,000)
1985	65,360,000	(11,679,000)

	No. of Com. Shares #	Earn. per Share #
1989	6,773,000	$ —
1988	6,786,000	0.32
1987*	6,771,000	0.17
1986	6,510,000	—
1985	4,809,000	—

(Loss)
* 9 months.
x Restated to reflect change in accounting method to reflect adoption of SFAS No. 96, "Accounting for income taxes".
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 25,709,000	$ 3.80
1988	27,838,000	4.10
1987	25,099,000	3.71
1986	23,848,000	3.66

x Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988‡
Revenues	$ 77,396,000	$ 78,225,000
Cost of revenues	37,592,000	36,663,000
Expenses	41,536,000	38,563,000
Software write-off	988,000	509,000
Interest expense	595,000	1,124,000
Interest income	(960,000)	(925,000)
Inc. (loss) bef. taxes	$ (2,355,000)	$ 2,291,000
Income taxes	85,000	150,000
Net Income (Loss)	$ (2,440,000)	$ 2,141,000

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $6,932,000 in 1989 and $6,838,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 4,035,000	$ 10,160,000
Short-term invest.	—	3,950,000
Receiv., net	17,907,000	14,419,000
*Inventories	5,252,000	3,814,000
Prepaid expenses & serv. parts	772,000	1,041,000
Current Assets	$ 27,966,000	$ 33,384,000
#Fixed assets	14,824,000	13,864,000
Service parts	1,152,000	2,293,000
Purch. software	302,000	1,728,000
Other assets	84,000	265,000
Total Assets	$ 44,328,000	$ 51,534,000

Liabilities

Long-term debt, curr.	$ 472,000	$ 671,000
Accts. payable	5,669,000	5,218,000
Accrued compen. & rel. taxes	1,314,000	1,142,000
Interest payable	323,000	2,657,000
Income taxes	86,000	1,539,000
Unearned serv. revenue	664,000	998,000
Other curr. liab.	2,922,000	3,824,000
Curr Liabilities	$ 11,450,000	$ 16,049,000
Long-term debt	6,669,000	7,147,000
Deferred tax liability	500,000	500,000
+Common stock	68,000	68,000
Add. paid-in capital	46,637,000	46,398,000
Cum. curr. trans. adjust.	(46,000)	(118,000)
Retained earnings (deficit)	(20,950,000)	(18,510,000)
Total Liabilities & Shareholders' Equity	$ 44,328,000	$ 51,534,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	2.93
%Net Income to Revenues	—	2.74
%Net Income to Equity	—	7.69
Debt to Equity	0.28	0.28
Working Capital	$ 16,516,000	$ 17,335,000
Current Ratio	2.44	2.08
Shareholders' Equity	$ 25,709,000	$ 27,838,000

Avantek, Inc.

3175 Bowers Avenue
Santa Clara, California 95054
(408) 727-0700
FAX: (408) 954-0635

Officers: E. Oran Brigham, chief exec. officer & president; Lionel A. Kirton, sr. v.p.-manufacturing; Robert W. Busch, sr. v.p.-quality, materiel & human resources; Steven J. Allan, v.p-finance, chief financial officer & secretary; Peter L. Manno, v.p.-sales & marketing; James E. Sterrett, founder, v.p. & fellow; Michael E. Hart, treasurer & dir.-finance; Edward C.V. Winn, v.p.-Products.

Directors: Roy A. Anderson, chairman; E. Oran Brigham, James F. Gibbons, Gary G. Harmon, James E. Sterrett, Paul R. Low.

Areas of Work: Company is a leading supplier of microwave electronics products for use in various defense and commercial applications.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AVAK (NASDAQ)

Number of Employees:

1989	2,447	1986	3,107
1988	2,556	1985	3,246
1987	3,041		

Plant Footage:

1989	609,000 sq. ft.	1987	776,000
1988	631,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 158,846,000	$ (21,421,000)
1988	123,544,000	(30,037,000)
1987	161,225,000	11,901,000
1986*	156,075,000	9,965,000
1985	130,241,000	17,690,000

	No. of Com. Shares	Earn. per Share ‡
1989	17,703,000	$ —
1988	17,541,000	—
1987	18,625,000	0.62
1986*	19,311,000	0.52
1985	19,208,000	0.92

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 93,907,000	$ 5.30
1988	116,062,000	6.62
1987	154,080,000	8.27
1986	147,560,000	7.64
1985	135,962,000	7.08

Income Account*
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 158,846	$ 123,544
Cost of sales	126,718	109,873
Expenses	50,511	49,458
Reorganization charges	12,500	8,851
Interest income	(862)	(1,064)
Loss bef. taxes	$ (30,021)	$ (43,574)

Tax credit		(8,600)		(18,302)
Loss - cont. oper.	$	(21,421)	$	(25,272)
Loss - discont. oper.		—		(4,765)
Net Loss	$	(21,421)	$	(30,037)

* Included in Costs and Expenses, Depreciation and Amortization: $15,571,000 in 1989 and $14,731,000 in 1988.

Assets
(000's)

As of		12/30/89		12/31/88
Cash & cash equiv.	$	13,031	$	5,995
Accts. receiv., net		24,032		17,390
Costs in exc. of billings on uncompl. contracts		521		6,487
*Inventories		29,423		35,560
Prepaid expenses		2,893		2,701
Prepaid income taxes		8,600		11,447
Current Assets	$	78,500	$	79,580
#Fixed assets		55,865		68,682
Total Assets	$	134,365	$	148,262

Liabilities
(000's)

Accts. payable	$	5,539	$	3,816
Accrued payroll		11,412		9,589
Other accruals		10,054		5,421
Accrual for exc. plant capac.		1,580		2,668
Accrual for contract losses		3,318		4,173
Net liab. of discont. oper.		71		3,111
Current Liabilities	$	31,974	$	28,778
Accrual for exc. plant capac.		5,691		—
Deferred income		2,793		3,422
+Common stock		48,109		48,231
+Series B Common stock		15		295
Retained earnings		45,783		67,536
Total Liabilities & Shareholders' Equity	$	134,365	$	148,262

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories		5.40		3.47
Working Capital	$	46,526,000	$	50,802,000
Current Ratio		2.46		2.77
Shareholders' Equity	$	93,907,000	$	116,062,000

Avnet, Inc.

80 Cutter Mill Road
Great Neck, New York 11021
(516) 466-7000

Officers: Leon Machiz, chairman, president and chief executive & operating officer; Albert Snider, exec. v.p.-operations; Stanley Benerofe, sr. v.p.; Edward Kaniger, sr. v.p.; Jordan Berman, sr. v.p.; John Lane, sr. v.p.; Irwin Lubalin, sr. v.p.; David Shaw, sr. v.p.; Sylvester Herlihy, sr. v.p.& secretary; John H. Regazzi, sr. v.p., treasurer & chief financial officer; Sam Farhy, v.p.; Daniel M. Robbin, v.p.; Donald Sweet, v.p.; George Kokkinakis, v.p.; Morton Vogel, v.p.; Anthony DeLuca, v.p.; Milton Graham, v.p.; Burton Katz, v.p.; Roy Vallee, v.p.; Steven W. Menefee, v.p.; James Harper, v.p.; Raymond Sadowski, v.p. & controller; David R. Birk, v.p. & asst. secretary; Linda Tommasulo, v.p.; Gerald Goldstein, v.p.; Jane Wolf, asst. secretary; Stephanie Wagoner, asst. treasurer.

Directors: Leon Machiz*, chairman of the board; Sylvester D. Herlihy, George Weissman*, Alvin E. Friedman*, Jordan S. Berman, John W. Kenney*, J. Sidney Webb*, Salvatore J. Nuzzo*, Howard Stein*, Stanley Benerofe, Gerald Berkman*.

* Member of the Executive Committee

Operating Groups:

Electronic Marketing Group

Hamilton/Avnet Electronics
Culver City, California
Distributor of semiconductor devices, microprocessors and microcontrollers, board level products, commercial and military connectors, passive and electromechanical components and other electronic devices. Value-added services include kitting, EDI, PLD/PROM programming, connector and cable assembly and testing, and ASIC design.

Hamilton/Avnet Computer
Culver City, California
Distributor of VMS, DOS and UNIX computers and related peripherals, including printers, terminals, mass storage and board level products. value-added services include system configuration, integration, testing and software installation, sold to end users and original equipment manufacturers.

Time/Electro Air
Peabody, Massachusetts
Distributor of electronic military and commercial connectors, semiconductors, passives and other electronic and electromechanical components.

Haper S.I.D.
Compton, California
Distributor of connectors, switches, terminal boards and passive devices.

Avnet Computer Technologies, Inc.
Minneapolis, Minnesota
Sells or leases desktop computers and systems and computer products to end users.

Electrical and Industrial Group

Brownell Electro
New York, New York
Distributes instruments and controls, electric motors and repair parts.

Freeman Products, Inc.
Englewood, New Jersey
Trophy components, gifts and engravers supplies, plastic injection molding and zinc diecasting.

Lincoln Controls
Pawtucket, Rhode Island
Hydraulic and pneumatic controls.

Irving W. Rice & Co., Inc.
New York, New York
Markets a line of imported toiletry containers, night lights and illuminated mirrors.

Mechanics Choice
Philadelphia, Pennsylvania
Distributor of fasteners, industrial shop supplies and tools, bulk and packaged chemicals, welding electrodes, hydraulic/pneumatic components, electrical wire/cable/terminals and automotive products.

Video Communications Group

Channel Master
Smithfield, North Carolina
TV antenna manufacturer, supplier of replacement color television tubes and antennas.

Avnet International (Taiwan) Ltd.
Kaoshiung, Taiwan
Stereo music and TV centers, cassette decks, turntables, compact disc players, satellite systems electronics and printed circuit boards.

Avnet Industries Malaysia
Kulai Johnor, Malaysia
Stereo music centers and turntables.

Compact Disc Industries (joint venture)
Hsinchu, Taiwan
Compact disc mechanisms.

Channel Master Satellite Systems, Inc.
Smithfield, North Carolina
Satellite antennas, integrated receivers, descrambling modules, microwave transmitters, rotators and amplifiers.

Transfer Agent(s):

The Bank of New York
New York New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: AVT

Number of Employees:

1989	8,500	1986	9,250
1988	10,000	1985	9,000
1987	9,500		

Plant Footage:

1989	3,830,000 sq. ft.	1986	4,050,000
1988	3,970,000	1985	4,160,000
1987	4,125,000		

Sales & Earnings

		Net Sales + (000's)		Net Income (000's)
1989	$	1,918,678	$	53,952
1988		1,817,190		52,174
1987		1,539,300		22,794
1986		1,415,600		23,857
1985		1,534,200		49,384

	No. of Com. Shares #		Earn. per Share #
1989	35,762,000	$	1.51
1988	35,756,000		1.46
1987	35,748,000		0.64
1986	35,719,000		0.67
1985	35,584,000		1.39

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenue by Lines of Business
(000's)

		1989		1988
Electronic marketing	$	1,512,600	$	1,399,100
Electrical & industrial		214,900		229,000
Video communications		191,200		189,100
Total	$	1,918,700	$	1,817,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.50	—	—
1988	0.50	—	
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	735,382,000	$	20.60
1988		696,022,000 ‡		19.52
1987		657,851,000 ‡		18.42
1986		646,921,000 ‡		18.18
1985		638,491,000 ‡		17.97

‡ After allowing for preferred stock at stated value.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 1,918,678,000	$ 1,817,190,000
Other income	14,855,000	12,060,000
Total income	$ 1,933,533,000	$ 1,829,250,000
Cost of sales	1,470,640,000	1,379,430,000
Expenses	359,208,000	347,571,000
Interest expense	16,440,000	15,950,000
Income before taxes	$ 87,245,000	$ 86,299,000
Income taxes	33,293,000	34,125,000
Net Income	$ 53,952,000	$ 52,174,000

* Included in Costs and Expenses, Depreciation and Amortization: $29,770,000 in 1989 and $29,212,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 8,595,000	$ 4,508,000
Market. securities	228,831,000	147,796,000
Receiv., net	262,019,000	297,550,000
*Inventories	479,464,000	538,509,000
Other curr. assets	3,723,000	12,368,000
Current Assets	$ 982,632,000	$ 1,000,731,000
#Fixed assets	106,214,000	117,714,000
Intangibles & other assets	37,115,000	34,128,000
Total Assets	$ 1,125,961,000	$ 1,152,573,000

Liabilities

Long-term debt, curr.	$ 2,677,000	$ 5,333,000
Accts. payable	112,060,000	170,613,000
Accrued payroll	11,973,000	13,243,000
Accrued interest	7,163,000	6,736,000
Income taxes	10,147,000	11,845,000
Dividend payable	4,463,000	4,453,000
Other accruals	30,964,000	23,110,000
Curr. Liabilities	$ 179,447,000	$ 235,333,000
Long-term debt	211,132,000	221,213,000
Preferred stock	—	5,000
+Common stock	35,824,000	35,777,000
Add. paid-in capital	129,801,000	129,136,000
Retained earnings	567,070,000	530,954,000
Treasury stock	(2,794,000)	(3,787,000)
Cum. trans. adjust.	5,481,000	3,942,000
Total Liabilities & Shareholders' Equity	$ 1,125,961,000	1,152,573,000

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.55	4.75
%Net Income to Sales	2.81	2.87
%Net Income to Equity	7.34	7.50
Sales to Inventories	4.00	3.37
Debt to Equity	0.29	0.33
Working Capital	$ 803,185,000	$ 765,398,000
Current Ratio	5.48	4.25
Shareholders' Equity	$ 735,382,000	$ 696,027,000

AVX Corporation

(The Company is a wholly-owned subsidiary of Kyocera Corp. of Kyoto, Japan)

750 Lexington Avenue
New York, New York 10022-1208
(212) 935-6363

NOTE: The Company was acquired by Kyocera Corpation on Jan. 18, 1990.

Officers: Marshall D. Butler, chief exec. officer; Charles A. Dill, president & chief operating officer; Benedict P. Rosen, exec. v.p.; John Gilbertson, vice president; Allan H. Cole, vice president; Brian Morris, vice president; Kim Ritchie, vice president; John Mann, vice president; Norman Yeung, vice president; John S. Johnson, controller; Joan Prager, secretary; Joseph R. Sicree, treasurer; Ilene L. Hearst, asst. treasurer.

Areas of Work: Designs, manufactures and markets multilayer ceramic, tantalum and glass capacitors as well as Applications Specific components. Multilayer ceramic and tantalum capacitors are used extensively in conjunction with integrated circuits in a wide variety of applications. Glass capacitors find usage as storers of electrical energy in those applications having extremes in temperatures such as space and deep oil well drillings.

Divisions and Subsidiaries:

Radial Products Division
Myrtle Beach, South Carolina

Axial & Special Products Division
Conway, SC; Olean, New York

AVX Limited
Aldershot, England; Coleraine, Northern Ireland

AVX S.A.
Roven, France

AVX Israel
Jerusalem

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Number of Employees:

1989	8,600	1986	N.A.
1988	8,300	1985	5,100
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 412,520,000	$ 10,530,000
1988	408,939,000	27,563,000
1987	271,888,000	15,811,000
1986	195,359,000	(3,098,000)
1985	178,684,000	(12,273,000)

	No. of Com. Shares x	Earn. per Share x
1988	13,319,000	$ 2.07
1987	13,196,000	1.20
1986	12,274,000	—
1985	10,226,000	—
1984	9,395,000	1.65

(Loss)
+ Of continuing operations only.
x Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.18	—	—
1987	—	—	
1986	—	—	—
1985	0.24	—	—
1984	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 208,060,000	$ 15.85
1987	186,312,000	14.26
1986	153,565,000	11.81
1985	128,313,000	11.72
1984	115,207,000	12.24

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 408,939,000	$ 271,888,000
Cost of sales	292,264,000	198,386,000
Expenses	57,627,000	40,848,000
Interest income	(1,393,000)	(3,861,000)
Interest expense	11,990,000	9,980,000
Other expense	3,474,000	218,000
Income bef. taxes	$ 44,977,000	$ 26,317,000
Income taxes	17,414,000	10,506,000
Net Income	$ 27,563,000	$ 15,811,000

* Included in Costs and Expenses, Depreciation and Amortization: $28,159,000 in 1988 and $18,840,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 23,797,000	$ 16,505,000
Marketable securities	1,429,000	1,509,000
Accts. & notes receiv., net	52,291,000	60,943,000
*Inventories	81,701,000	77,577,000
Fut. inc. tax benefits	12,944,000	10,311,000
Other assets	3,073,000	4,392,000
Current Assets	$ 175,235,000	$ 171,237,000
#Fixed assets	203,628,000	195,958,000
Exc. of cost over value of assets acq.	22,476,000	30,292,000
Other assets	22,832,000	22,559,000
Total Assets	$ 424,171,000	$ 420,046,000

Liabilities

Long-term debt, curr.	$ 4,695,000	$ 5,455,000
Accts. payable	15,289,000	16,763,000
Accruals	35,704,000	40,107,000
Income taxes payable	5,469,000	2,817,000
Curr. Liabilities	$ 61,157,000	$ 65,142,000
Long-term debt	123,372,000	140,175,000
Deferred inc. taxes	25,777,000	23,730,000
Other liabilities	5,805,000	4,687,000
+ Common stock	13,129,000	13,068,000
Add. paid-in capital	117,892,000	117,276,000
Retained earnings	65,122,000	39,920,000
Cum. trans. adjust.	11,917,000	16,048,000
Total Liabilities & Shareholders' Equity	$ 424,171,000	$ 420,046,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.00	9.68
%Net Income to Sales	6.74	5.82
%Net Income to Equity	13.25	8.49
Sales to Inventories	5.01	3.50
Debt to Equity	0.62	0.75
Working Capital	$ 114,078,000	$ 106,095,000
Current Ratio	2.87	2.63
Shareholders' Equity	$ 208,060,000	$ 186,312,000

Aydin Corporation

700 Dresher Road
P.O. Box 349
Horsham, Pennsylvania 19044
(215) 657-7510
FAX: (215) 657-3830

Officers: Ayhan Hakimoglu, president; Palle Christensen, exec. v.p. & president-Aydin West Coast; Melvyn Marple, v.p. & president-Aydin Controls; B. Jack Miller, v.p.-corp. marketing; John Vanderslice, sr. v.p. & president-Aydin Vector; Gary T. Boswell, v.p. & president-Aydin Computer & Monitor; James Whiteside, asst. v.p. & dir.-product assurance & support; Jay L. Landis, treasurer; Herbert Welber, controller & asst. treasurer; Robert A. Clancy, secretary; Zeynep B. Hakimoglu, asst. secretary; Geraldine A. Hakimoglu, asst. secretary & director-investor relations.

Directors: Ayhan Hakimoglu, chairman; Frederick G. Allen, Nev A. Gokcen, Harry D. Train, II, Palle S. Christensen.

Areas of Work: Designs, manufactures and sells communications products and systems for satellite, troposcatter and line-of-sight, microwave radios, computer communications, data links and avionics, computer equipment and systems, high-resolution color monitors, workstations, air defense consoles and systems, radars, military computer systems, arm decoys and electronic warfare equipment.

Divisions and Subsidiaries:

AYDIN Corporation (West)
30/32 Great Oaks Boulevard
San Jose, California 95119
(408) 629-0100
FAX: (408) 629-1100

Digital microwave radios, troposcatter terminals, satellite earth stations and equipment, high-power amplifiers, telecom systems, radars, radar simulation and electronic warfare systems.

AYDIN Controls (U.K.) Ltd.
1/3 Hunting Gate
Hitchin, Herts, SG4 OTJ, England

Display terminals, workstations, color monitors and computer systems.

AYDIN Computer & Monitor Division
700 Dresher Road
Horsham, Pennsylvania 19044
(215) 657-8600

Command and control, ground data receive and processing equipment and systems; military display processors; large screen displays; and computer networking equipment.

AYDIN Vector Division
P.O. Box 328
47 Friends Lane
Newtown, Pennsylvania 18940
(215) 968-4271

Military avionics and special microcircuits; airborne data acquisition and transmission.

AYDIN Raytor Division
Commerce Drive
Montgomeryville Industrial Center
Montgomeryville, Pennsylvania 18936
(215) 855-1121

Electronic cabinetry and sheet metal

AYDIN Molded Devices Division
2757 East Del Amo Boulevard
Rancho Dominguez, California 90221
(213) 764-5211

Vinyl components.

AYDIN Electro Fab Division
960 River Road
Croydon, Pennsylvania 19020
(215) 788-0401

Printed circuit boards.

AYDIN International U.K.
1/3 Hunting Gate
Hitchin, Herts, SG4 OTJ, England

Data acquisition, transmission and receive.

AYDIN Controls Division
414 Commerce Drive
Fort Washington, Pennsylvania 19034
(215) 542-7800

Color display terminals, workstations, color monitors, telecom multiplexers and transcoders.

AYDIN Corporation
Corporate Marketing Office
4660 Kenmore Avenue
Suite 1018
Alexandria, Virginia 22304
(703) 823-9735

Transfer Agent(s):

Mellon Bank (East) N.A.
One Mellon Plaza
Philadelphia, Pennsylvania 19101

Stock Exchange(s): New York

Ticker Symbol: AYD

Number of Employees:

1989	2,000	1986	2,000
1988	2,000	1985	2,000
1987	2,000		

Plant Footage:

1989	600,000 sq. ft.	1986	650,000
1988	600,000	1985	650,000
1987	650,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 157,486,000	$ 9,190,000
1988	169,655,000	8,368,000
1987	149,240,000	14,806,000
1986	136,791,000	6,952,000
1985	133,019,000	3,799,000

	No. of Com. Shares #	Earn. per Share +
1989	5,008,349	$ 1.81
1988	5,021,410	1.66
1987	5,169,093	2.62
1986	5,584,531	1.21
1985	6,179,221	0.57

Adjusted to reflect stock split.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1989 (000's)	%	1988 (000's)	%
Communications	$ 88,500	56 %	$ 97,200	57 %
Computer equip. & systems	52,300	33	50,900	30
Radars, radar simulation & EW	16,700	11	21,600	13
Total	$ 157,500	100 %	$ 169,700	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	—	—	

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 79,983,000	$ 15.97
1988	76,073,000	15.15
1987	69,657,000	13.48
1986	60,065,000	10.75
1985	61,348,000	9.93

‡ Adjusted to reflect stock split.

Income Account *

Year Ended Dec. 31	1989	1988
Net sales	$ 157,486,000	$ 169,655,000
Cost of sales	108,665,000	120,733,000
Expenses	34,716,000	35,642,000
Interest expense	615,000	1,312,000
Income before taxes	$ 13,490,000	$ 11,968,000
Income taxes	4,300,000	3,600,000
Net Income	$ 9,190,000	$ 8,368,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,825,000 in 1989 and $4,724,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 13,726,000	$ 3,112,000
Receiv., net	36,406,000	40,862,000
Unbilled rev.	41,814,000	47,291,000
*Inventories	19,873,000	22,004,000
Prepaid expenses	551,000	724,000
Current Assets	$ 112,370,000	$ 113,993,000
#Fixed assets	31,065,000	33,298,000
Other assets	910,000	599,000
Total Assets	$ 144,345,000	[illegible]

Liabilities

	1989	1988
Long-term debt, curr.	$ 1,172,000	$ 1,169,000
Short-term bank borrow.	—	3,500,000
Dividend payable	5,028,000	—
Accts. payable	10,817,000	13,744,000
Accruals	6,131,000	4,276,000
Contract billings in exc. of recog. rev.	1,907,000	7,888,000
Income taxes	8,272,000	13,609,000
Curr. Liabilities	$ 33,327,000	$ 44,186,000
Long-term debt	9,255,000	10,548,000
Deferred income taxes	21,780,000	17,083,000
+Common stock	5,008,000	5,021,000
Retained earnings	74,975,000	71,052,000
Total Liabilities & Shareholders' Equity	$ 144,345,000	$ 147,890,000

* At lower of cost (FIFO, average or specific job cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.57	7.05
%Net Income to Sales	5.84	4.93
%Net Income to Equity	11.49	11.00
Sales to Inventories	7.92	7.71
Debt to Equity	0.13	0.20
Working Capital	$ 79,043,000	$ 69,807,000
Current Ratio	3.37	2.58
Shareholders' Equity	$ 79,983,000	$ 76,073,000

Badger Meter, Inc.

4545 W. Brown Deer Road
P.O. Box 23099
Milwaukee, Wisconsin 53223-0099
(414) 355-0400
FAX: (414) 355-2544

Officers: James O. Wright, chairman of the board; James L. Forbes, president & chief exec. officer; R. Robert Howard, v.p.-finance & treasurer; John J. Janik, v.p.-manufacturing, Utility Division; William C. Howland, v.p.-sales, Industrial Division; William J. Shinners, controller; W. H. Vander Heyden, exec. v.p.-Industrial Divisions & chief technical officer; Rebecca L. Rush, secretary; Ronald H. Dix, v.p.-administration & human resources; Christopher N. Wright, asst. secretary; Rod G. Cumber, v.p.-operations; Byron L. Bradley, v.p.-engineering; Heinz G. Erb, v.p.-Europe.

Directors: James O. Wright, chairman; Robert M. Hoffer, James L. Forbes, Edwin P. Wiley, Donald J. Schuenke, James O. Wright, Jr., Charles F. James, Jr., Warren R. Stumpe, William H. Vander Heyden.

Areas of Work: Engaged in the marketing and production of water meters and automatic meter reading systems for utility markets; ultrasonic flow meters used in wastewater disposal systems, irrigation projects and water purification plants; and precision control valves, concrete batch controllers, and natural gas instrumentation for industrial markets.

Divisions and Subsidiaries:

Utility Division
Milwaukee, Wisconsin

Industrial Division
Tulsa, Oklahoma

Precision Measurement Incorporated (80% owned)
Duncanville, Texas
Develops and manufactures natural gas instrumentation

Badger Meter de Mexico, S.A. de C.V.
Nogales, Sonora, Mexico

Badger Meter Europe, GmbH
Stuttgart, Germany

Medidores Azteca, S.A.
Mexico City, Mexico

Transfer Agent(s):

First Wisconsin Trust Company
Milwaukee, Wisconsin

Stock Exchange(s): American

Ticker Symbol: BMI

Number of Employees:

1989	874	1986	994
1988	864	1985	919
1987	1,027		

Plant Footage:

1989	451,800 sq. ft.	1987	438,500
1988	451,800	1986	418,500

Sales & Earnings

	Net Sales +	Net Income	No. of Com. Shares #	Earn. per Share ‡
1989	$ 72,266,000	$ 2,375,000	1,543,542	$ 1.54
1988	71,150,000	2,071,000	1,520,042	1.38
1987	66,737,000	1,799,000	1,485,470	1.21
1986	60,947,000	1,172,000	1,471,444	0.80
1985	55,886,000	1,339,000	1,460,444	0.92

+ Of continuing operations only.
# Common stock and Class B Common stock combined.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.1025	—	—
1988	1.050	—	
1987	1.050	—	—
1986	0.475	—	—
1985	0.400	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 25,897,000	$ 16.78
1988	23,975,000	15.77
1987	22,118,000	14.89
1986	20,688,000	14.06
1985	20,054,000	13.73

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 72,266,278	$ 71,149,615
Cost of sales	44,540,042	44,213,098
Expenses	22,805,720	22,271,203
Interest expense	983,327	1,007,067
Foreign currency	33,543	58,530
Other charges	105,884	240,698
Inc. bef. taxes	$ 3,797,762	$ 3,359,019
Income taxes	1,423,000	1,288,000
Net Income	$ 2,374,762	$ 2,071,019

* Included in Costs and Expenses, Depreciation and Amortization: $3,183,844 in 1989 and $3,105,339 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 1,017,176	$ 776,215
Receiv., net	10,496,397	8,832,391
*Inventories	13,785,821	12,816,044
Prepaid expenses	887,980	925,902
Current Assets	$ 26,187,374	$ 23,350,552
#Fixed assets	14,555,947	13,099,400
Intangibles	1,643,439	1,726,852
Prepaid pension	2,500,676	1,929,091
Defer. charges & other assets	1,784,867	1,680,850
Total Assets	$ 46,672,303	$ 41,786,745

Liabilities

	1989	1988
Notes payable	$ 5,486,842	$ 2,929,753
Long-term debt, curr.	—	200,000
Accts. payable	3,556,167	3,179,586
Accrued compensation	2,656,846	2,538,817
Accrued benefits	321,791	374,869
Income taxes	22,784	180,859
Other taxes	340,084	347,531
Curr. Liabilities	$ 12,384,514	$ 9,751,415
Long-term debt	5,183,333	5,266,667
Deferred inc. taxes	2,662,000	2,496,000
Accrued benefits	545,603	297,752
+ Common stock	1,521,242	1,503,742
++ Class B Common stock	57,438	58,738
Add. paid-in capital	3,913,401	3,454,726
Retained earnings	21,896,755	20,381,228
Employee benefit stock	(939,898)	(852,438)
Treasury stock	(552,085)	(571,085)
Total Liabilities & Shareholders' Equity	$ 46,672,303	$ 41,786,745

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
++ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.26	4.72
%Net Income to Sales	3.29	2.91
%Net Income to Equity	9.17	8.64
Sales to Inventories	5.24	5.55
Debt to Equity	0.41	0.35
Working Capital	$ 13,802,860	$ 13,599,137
Current Ratio	2.11	2.39
Shareholders' Equity	$ 25,896,853	$ 23,974,911

Bairnco Corporation

200 Park Avenue
New York, New York 10166
(212) 490-8722
FAX: (212) 972-3959

Officers: Glenn W. Bailey, chairman & president; David C. Bevan, Jr., sr. v.p.-finance & administration, treasurer & secretary; Robert J. Edmondson, president; J. Robert Wilkinson, exec. v.p.; David W. Swindells, v.p.-industrial relations; Frances O'Brien, asst. treasurer; William Sykes, president-Kasco U.S.A.; Kenneth Penwarden, managing director-Kasco Europe; Paul Connolly, president-Kasco Canada.

Directors: Glenn W. Bailey, chairman; Russell Banks, Luke E. Fichthorn, III, William L. Read.

Areas of Work: The Company conducts its operations through four operating subsidiaries: Keene Corporation-a manufacturer of advanced composite materials, structures and ablatives for aerospace, defense and commercial applications. Arlon Inc.-a manufacturer of specialty laminated and adhesive-coated substrates for electronics, commercial, automotive, graphic arts and medical applications. Kasco Corporation -a provider of cutting services, products and supplies for supermarkets, retail butchers, meat packers and food processors; and cutting equipment for other users. Shielding Systems Corporation-a designer and producer of electromagnetic shielding, anechoic chambers and fiber optic devices for security, interference suppression and health care applications.

Subsidiaries:

Keene Corporation
Kasco Corporation
Arlon Inc.
Shielding Systems Corporation

Acquisitions:

Belling Lee Intec Limited
Enfield, England
A designer and producer of electromagnetic shielding and anechoic chambers serving customers in Europe.

Biro-France
Paris, France
A distributor of equipment service and supplies based near Paris.

Bairnco Corporation

Transfer Agent(s):

Continental Bank
231 S. LaSalle Street - 10th floor
Chicago, Illinois 60697

Stock Exchange(s): New York

Ticker Symbol: BZ

Number of Employees:

1989	1,594	1986	5,342
1988	1,753	1985	5,398
1987	5,341		

Plant Footage:

1989	N.A.	1988	1,378,000 sq. ft.

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income
1989	$ 196,943,000	$ (1,924,000)
1988	211,792,000	25,465,000
1987	177,112,000	28,249,000
1986	160,053,000	22,530,000
1985	136,638,000	21,899,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	10,690,000	$ —
1988	10,659,000	2.39
1987	10,522,000	2.68
1986	10,219,000	2.20
1985	10,187,000	2.15

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Keene composite materials	$ 17,191	$ 16,234
Laminated & coating prods.	83,232	83,201
Cutting services & prods.	45,917	41,276
Shielding systems & prods.	50,603	70,092
Unallocated	—	989
Total	$ 196,943	$ 211,792

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.95	—	—
1988	0.85	—	
1987	0.75	—	—
1986	0.65	—	—
1985	0.55	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 200,448,000	$ 19.20
1988	218,523,000	20.32
1987	213,126,000	20.44
1986	185,656,000	18.25
1985	167,528,000	16.70

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 196,943	$ 211,792
Cost of sales	130,357	130,034
Special charges	8,373	—
Selling & adm. expenses	51,786	53,692
Corp., gen. & other expenses	3,928	4,614
Interest income	(9,358)	(8,662)
Income before taxes	$ 11,857	$ 32,114
Income taxes	4,748	12,758
Inc. - cont. oper.	$ 7,109	$ 19,356
Inc. (loss) - discont. oper.	(9,033)	6,109
Net Income (Loss)	$ (1,924)	$ 25,465

* Included in Costs and Expenses, Depreciation and Amortization: $11,015,000 in 1989 and $10,772,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 162,244	$ 133,307
Accts. receiv., net	31,082	35,007
*Inventories	28,514	31,210
Deferred inc. taxes	3,699	3,197
Other curr. taxes	4,085	3,794
Current Assets	$ 28,514	$ 31,210
#Fixed assets	51,351	51,626
Cost in exc. of assets acq.	27,371	27,371
Other assets	18,106	11,287
Total Assets	$ 327,841	$ 296,799

Liabilities
(000's)

	1989	1988
Short-term debt	$ 52,032	$ 4,351
Long-term debt, curr.	69	1,112
Accts. payable	17,147	19,877
Accrued payroll	3,067	6,067
Accrued inc. taxes	3,856	7,373
Accrued costs-discont. oper.	10,110	—
Accrued emp. benefits	576	1,883
Other accruals	19,148	13,886
Curr. Liabilities	$ 36,757	$ 29,209
Long-term debt	3,465	4,262
Deferred inc. taxes	8,090	6,017
Other liabilities	9,833	13,448
+Common stock	545	545
Add. paid-in capital	50,312	50,365
Retained earnings	159,390	171,451
Treasury stock	(9,799)	(3,838)
Total Liabilities & Shareholders' Equity	$ 327,841	$ 296,799

* At cost (FIFO), which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	—	11.65
Sales to Inventories	6.91	6.79
Debt to Equity	0.28	0.04
Working Capital	$ 123,619,000	$ 151,966,000
Current Ratio	2.17	3.79
Shareholders' Equity	$ 200,448,000	$ 218,523,000

Ball Corporation

345 South High Street
P.O. Box 2407
Muncie, Indiana 47307-0407
(317) 747-6100
FAX: (317) 747-5810

Officers: Richard M. Ringoen, chairman & chief executive officer; Delmont A. Davis, president & chief operating officer; William L. Peterson, vice chairman & chief financial officer; Duane E. Emerson, sr. v.p.-administration; Donovan B. Hicks, group v.p.-aerospace systems; John H. Snyder, group v.p.-diversified products; David A. DiLoreto, group v.p.-packaging products; Albert R. Schlesinger, v.p. & controller; R. David Hoover, v.p. & treasurer; George A. Sissel, sr. v.p., corp. secretary & general counsel; Charles E. Wild, v.p.-human resources; Thomas B. Clark, v.p.-communications planning & development; Richard E. Durbin, v.p.-information services; Elizabeth A. Overmyer, asst. secretary; Donald C. Lewis, asst. secretary; Larry D. Miller, director-corp. communications.

Directors: Alvin Owsley, Richard M. Ringoen*, Delbert C. Staley, Richard M. Gillett*, Henry C. Goodrich*, A. Malcolm McVie, William L. Peterson*, William P. Stiritz, Howard M. Dean, John F. Lehman, Jr., Delmont A. Davis.

* Member of the Executive Committee

Areas of Work: Manufactures packaging, aerospace systems and diversified products and provides professional services to the federal sector. The Company produces metal beverage containers and ends for brewers and soft drink fillers, and high-barrier, multi-layer plastic sheet and containers for foods and juices. Thermoformed plastics are manufactured for the appliance market. Home food preservation products are sold in the retail marketplace. In the technology area, the Company designs and produces space, defense and communications systems, services the electo-optical, electro-mechanical, cryogenic and time/frequency standards markets, and provides support services to the federal government and defense contractors. Diversified products and services include fabricated zinc, injection-molded plastics, industrial systems for automated and machine vision inspection systems, plus slitting, cutting, coating and lithographing of light-gauge steel.

Divisions and Subsidiaries:

Aerospace Systems

Space Systems Division
Boulder, Colorado
Designs and builds spacecraft and complete space and ground systems and sub-systems.

Communication Systems Division
Broomfield, Colorado
Manufactures space and tactical antennas, as well as complete communications systems.

Communication Systems Division
Broomfield, Colorado
Manufactures space and tactical antennas, as well as complete communications systems.

Efratom Division
Irvine, California
Designs and manufactures time/frequency standards for the aviation and commercial communications systems markets.

Efratom Division
Munich, West Germany
Designs and manufactures time/frequency standards for the aviation and commercial communications systems markets.

Electro-optics/cryogenics Division
Boulder, Colorado
Produces subsystems, including cryogenics for coolants and life support systems, electro-mechanical and electro-optical products for navigation and pointing control systems.

Systems Engineering Division
San Diego, California
Provides support services to the federal government and defense contractors.

Diversified Products

Zinc Products Division
Greeneville, Tennessee
Makes rolled zinc products, including battery cans, and copper-plated zinc coin blanks.

Metal Decorating & Service Division
Chicago, Illinois
Provides metal lithography, metal coatings and specialized light-gauge metal servicing and warehousing functions, including sheeting, slitting and blanking.

Unimark Plastics Division
Greenville, South Carolina
Precision injection molding products for the medical and electronics industries.

Industrial Systems Division
Akron, Ohio
Manufactures industrial instruments for automated and machine vision inspection systems.

Consumer Products Division
Muncie, Indiana
Markets Ball home canning jars and food preservative products.

Packaging Products
Manufactures metal containers for beer and soft drinks; high barrier plastic sheet and containers for food and juices; thermoformed plastic refrigerator and freezer door liners; and decorated injection molded plastic products.

Metal Container Division
Westminster, Colorado
Manufactures aluminum and steel containers and ends for the beer and soft drink markets.

Plastics Division
Westminster, Colorado
Develops and produces coextruded, high-barrier plastic rollstock and formed containers for foods and juices, and thermoformed plastic refrigerator and freezer door liners.

Kent Plastics, Ltd.
Enniskillen, Northern Ireland
Produces decorated, injection-molded components, primarily for the automotive industry.

Joint Ventures:

Ball Packaging Products Canada, Inc.
Toronto, Ontario, Canada
Metal containers for foods, soft drinks, beer, household and industrial markets.

Lam Soon-Ball International, Inc.
Hsin Feng, Taiwan
An aluminum beverage can plant.

Ball-InCon Glass Packaging Corp.
Muncie, Indiana
Produces glass containers focusing primarily on the food and beverage industries.

Transfer Agent(s):

First Chicago Trust Company of New York
P.O Box 3506
Church Street Station
New York, New York 10008-3506

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: BLL

Number of Employees:*

1989 7,154
1988 7,100
1987 6,900
1986 9,000
1985 9,000

* Excludes joint ventures.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 1,222,400	$ 33,100
1988	1,073,000	50,500
1987	1,054,100	60,100
1986	1,093,400	59,400
1985	1,124,700	51,900

	No. of Com. Shares #	Earn. per Share #
1989	22,959,000	$ 1.44
1988	23,299,000	2.17
1987	23,633,000	2.54
1986	23,613,000	2.52
1985	23,440,000	2.21

# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Packaging	$ 780,900	64 %	$ 662,800	62 %
Aerospace	273,600	22	262,700	24
Diversified	167,900	14	147,500	14
Total	$ 1,222,400	100 %	$1,073,000	100 %

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 1.10	—	—
1988	1.02	—	
1987	0.89	—	—
1986	0.77	—	—
1985	0.68	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 383,000 #	$ 17.39
1988	421,400	17.92
1987	391,200	16.77
1986	368,400	15.58
1985	333,200	14.12

# After allowing for preferred stock at stated value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,222,400	$ 1,073,000
Cost of sales	1,078,500	911,300
Expenses	84,200	87,200
Unusual items	—	24,100
Interest expense	20,300	10,700
Eq. in inc. of affil.	(9,200)	(8,400)
Income before taxes	$ 48,600	$ 48,100
Income taxes	12,800	15,400
Cum. effect of acct. change	—	(17,800)
Net Income	$ 35,800	$ 50,500

* Included in Costs and Expenses, Depreciation: $50,100,000 in 1989 and $43,900,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & temp. invest.	$ 10,400	$ 15,700
Accts. receiv., net	176,200	133,900
*Inventories	165,300	155,500
Prepaid expenses	22,100	26,600
Current Assets	$ 374,000	$ 331,700
#Fixed assets	434,700	433,000
Invest. in affil.	78,700	65,500
Other assets	50,600	46,300
Total Assets	$ 938,000	$ 876,500

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 55,200	$ 37,100
Accts. payable	105,700	91,600
Accrued payroll	33,400	29,300
Income taxes	4,200	—
Other curr. liabilities	20,800	25,000
Curr. Liabilities	$ 219,300	$ 183,000
Long-term debt	262,800	196,300
Deferred comp.	20,400	19,700
Deferred inc. taxes	51,200	56,100
+ESOP Preferred stock	70,100	—
Unearned compensation-ESOP	(68,800)	—
++Common stock	26,800	28,500
Retained earnings	410,000	401,600
Treasury stock	(53,800)	(8,700)
Total Liabilities & Shareholders' Equity	$ 938,000	$ 876,500

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value. Series B; $2.76 cumulative convertible.
++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.98	4.48
%Net Income to Sales	2.93	4.71
%Net Income to Equity	9.35	11.98
Sales to Inventories	7.40	6.90
Debt to Equity	0.83	0.55
Working Capital	$ 154,700,000	$ 148,700,000
Current Ratio	1.71	1.81
Shareholders' Equity	$ 383,000,000	$ 421,400,000

Bally Manufacturing Corporation

8700 West Bryn Mawr Avenue
Chicago, Illinois 60631
(312) 399-1300
FAX: (312) 693-2982

Officers: Robert E. Mullane, chairman of the board & chief exec. officer; Roger N. Keesee, president & chief operating officer; James M. Rochford, v.p.-corporate affairs & governmental relations; Paul J. Johnson, v.p., treasurer & chief financial officer; Neil E. Jenkins, v.p., corporate secretary & general counsel; Kenneth C. Nichols, chairman & chief exec. officer-Home Life Insurance Co.; Charles T. Powell, v.p.-corp. administration; William E. Chandler, v.p.-financial operations & controller; James A. Lovell, exec. v.p..

Directors: Robert E. Mullane, chairman; James M. Rochford, George N. Aronoff, Patrick L. O'Malley, Walter Wechsler, Kenneth C. Nichols, James A. Lovell, Pierre A. Rinfret, Roger N. Keesee, Nat Solomon, Eugene F. Tighe, Jr., Edwin M. Halkyard.

Areas of Work: The company and its subsidiaries are involved in three industry segments. The Casino Hotel segment includes the operation of the Bally's Park Place Casino Hotel and Bally's Grand Hotel & Casino in Atlantic City, New Jersey and Bally's Las Vegas casino resort in Nevada. The Fitness Centers segment includes the operation of 310 fitness centers. The Products & Services segment includes the design, production and supply of instant ticket lottery games and on-line lottery systems. In addition, this segment includes the design, manufacture, distribution & sale of fitness equipment.

Divisions and Subsidiaries:

Bally Systems Division
Reno, Nevada

Bally Gaming, Inc.
Las Vegas & Reno, Nevada

Life Fitness, Inc.
Irvine, California
Manufactures and distributes fitness equipment.

Life Fitness Europe GmbH
Munich, West Germany

Bally Manufacturing Corporation

Bally's Park Place, Inc.
Atlantic City, New Jersey

Bally's Las Vegas
Las Vegas, Nevada

Bally's Reno
Reno, Nevada

Bally's Grand, Inc.
Atlantic City, New Jersey

Scientific Games, Inc.
Atlanta, Georgia
Designs, produces and supplies instant ticket lottery games and on-line lottery systems.

Bally Wulff Automaten GmbH
Berlin, Germany

Bally Wulff Vertriebs GmbH
Hannover, West Germany

Bally Gaming International GmbH
Hannover, West Germany

Bally's Health and Tennis Corporation
Los Angeles, California
Operates over 250 health and fitness centers.

Bally Gaming Division
Bensenville, Illinois

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: BLY

Number of Employees: *

1989	31,200	1986	21,345
1988	25,375	1985	15,170
1987	21,530		

* Full-time only.

Sales & Earnings

	Revenues +	Net Income #
1989	$ 2,069,234,000	$ 17,405,000
1988	1,932,517,000	38,001,000
1987	1,730,128,000	57,138,000
1986	1,247,544,000	23,701,000
1985	960,780,000	25,637,000

	No. of Com. Shares †	Earn. per Share #†
1989	26,900,000	$ 0.35
1988	26,700,000	1.12
1987	28,600,000	1.62
1986	29,200,000	- 0.81
1985	26,900,000	0.95

(Loss)
+ Of continuing operations only.
# Including extraordinary loss of $8,411,000 ($0.31 per share) in 1989.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Casino hotels	$ 948,543	$ 935,812
Fitness centers	778,127	670,385
Products and services	319,721	252,131
Amusement games & services	34,685	101,081
Corporate	(11,842)	(26,892)
Total	$ 2,069,234	$ 1,932,517

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.285	—	—
1988	0.22	—	
1987	0.20	—	—
1986	0.20	—	—
1985	0.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 594,604,000	$ 22.10
1988	579,464,000	21.70
1987	568,274,000	19.87
1986	492,943,000	16.88
1985	407,646,000	15.15

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 942,257	$ 930,977
Services	756,763	695,011
Sales	291,392	241,336
Interest	71,245	57,381
Other income	7,577	7,812
Total income	$ 2,069,234	$ 1,932,517
Cost of revenues, services & sales	1,455,616	1,363,057
Expenses	402,196	332,521
Unusual items	(42,031)	(8,248)
Interest expense	205,980	178,306
Inc. before taxes	$ 47,473	$ 66,881
Income taxes	21,657	27,756
Minority interest	—	1,124
Net Income	$ 25,816	$ 38,001
Extraord. loss	(8,411)	—
Net Income & extraord. loss	$ 17,405	$ 38,001

* Included in Costs and Expenses, Depreciation and Amortization: $153,944,000 in 1989 and $137,095,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cert. of deposit	$ 74,633	$ 101,626
Receiv., net	440,331	367,513
*Inventories	33,941	37,483
Other curr. assets	57,940	45,292
Current Assets	$ 606,845	$ 551,914
Long-term receiv.	172,244	138,894
# Fixed assets	1,837,508	1,779,137
Other assets	66,069	67,800
Intangibles	346,802	328,850
Total Assets	$ 3,029,468	$ 2,866,595

Liabilities
(000's)

Long-term debt, curr.	$ 69,068	$ 66,080
Accts. payable	72,688	83,974
Accruals	224,889	204,421
Income taxes pay.	53,345	36,543
Def. inc. taxes	28,483	34,857
Deferred revenues	94,380	78,224
Curr. Liabilities	$ 542,853	$ 504,099
Long-term debt	1,700,564	1,607,335
Other liabilities	189,447	157,680
Minority interests	—	16,017
++Preferred stock-Series D	2,000	2,000
+++Common stock	21,642	21,377
Add. paid-in capital	299,532	287,848
Retained earnings	355,586	353,997
Currency trans. adj.	11,280	8,238
Treasury stock	(78,051)	(91,996)
Unearned compensation	(15,385)	—
Total Liabilities & Shareholders' Equity	$ 3,029,468	$ 2,866,595

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value; 8% convertible, exchangeable.
++ $0.66 2/3 par value.

Statistical Summary

%Income bef. Taxes to Revenues	5.04	7.18
%Net Income to Revenues	2.74	4.08
%Net Income to Equity	4.33	6.54
Debt to Equity	2.97	2.88
Working Capital	$ 63,992,000	$ 47,815,000
Current Ratio	1.12	1.09
Shareholders' Equity	$ 596,604,000	$ 581,464,000

Banner Industries, Inc.

Executive offices:

110 East 59th Street
New York, New York 10022
(212) 308-4966
FAX: (212) 888-5674

Corporate and operating offices:
25700 Science Park Drive
Cleveland, Ohio 44122
(216) 464-3650

Officers: Jeffrey J. Steiner, chairman & chief exec. officer; Samuel J. Krasney, vice chairman & chief operating officer; Dominic A. Petito, sr. v.p. & general counsel; William C. Hunt, sr. v.p.; Sam Spector, v.p.-corp. development; Michael T. Alcox, sr. v.p.-finance; Max Makowsky, v.p.-international; Warren Persavich, v.p. & treasurer; Mark W. Wester, v.p. & controller; Michael J. Vantusko, v.p.; Eugene W. Juris, v.p.; John L. Flynn, v.p.; George N. Aronoff, secretary.

Directors: Jeffrey J. Steiner, chairman; Eric I. Steiner, John P. Calhoun, Philip David, Milton H. Dresner, Emanel Fthenakis, Harold J. Harris, William C. Hunt, Samuel J. Krasney, Frederick W. McCarthy, Nathan Meyohas, Herbert S. Richey, Michael T. Alcox.

Areas of Work: The Company's operations are currently being conducted in two business segments. Aerospace operations include the distribution of aircraft hardware replacement parts and tires, and the manufacturing of high-performance specialty fasteners. The Water Treatment and Pumps operations include the manufacture of a broad line of water and wastewater treatment equipment as well as diversified industrial pumps.

Divisions & Subsidiaries:

AEROSPACE DISTRIBUTION GROUP

Banner Aircraft International, Inc.
Thompson Aircraft Tire Corporation
Burbank Aircraft Supply, Inc.
Adams Industries, Inc.
NASAM, Inc.
Solair, Inc.
Matrix Aviation, Inc.
Barcel Wire and Cable Corporation
Banner Aeronautical Corp.
Aero International Representative, Inc.
DAC International, Inc.
Miltec, Inc.
PacAero
Aircraft Bearing Corp.
Ruart Bearing Co.
Harco
Austin Jet International

Dallas Aerospace, Inc.

AEROSPACE MANUFACTURING GROUP

Rosan Products
Camioc Products
Tridair Products
RAM
Voi-Shan
Screwcorp

WASTE WATER TREATMENT GROUP

Envirex Inc.
McGinnes-Royce Corporation
General Filters Co.

INDUSTRIAL DESIGN GROUP

D-M-E Company

COMMUNICATION SERVICES

Fairchild Communications Services Company

MECHANICAL POWER ACTIVITIES

Rexnord Corporation

Acquisition:

Fairchild Industries, Inc.
Washington Dulles International Airport
300 West Service Road. P.O. Box 10803
Chantilly, Virginia 22021

Consists of three business segments: Aerospace, Industrial Products and Communication Services.

Transfer Agent(s):

Huntington National Bank
Cleveland, Ohio

Stock Exchange(s): New York, Pacific

Ticker Symbol: BNR

Sales & Earnings

	Net Sales +	Net Income #
1989	$ 433,042,000	$ 49,967,000
1988	373,763,000	(7,041,000)
1987	191,682,000	10,201,000
1986	112,622,000	6,540,033
1985	95,532,000	4,038,927

	No. of Com. Shares †	Earn. per Share #‡
1989	13,355,000	$ 3.30
1988	12,792,000	—
1987	13,594,000	0.67
1986	14,008,000	0.52
1985	12,068,000	0.34

(Loss)

+ Includes revenues; of continuing operations only.

# Including extraordinary gain of $1,510,000 ($0.11 per share) in 1987 and extraordinary loss of $8,070,000 ($0.56 per share in 1989.

† Adjusted to reflect stock splits.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ —	—	2-for-1
1988	0.02	—	
1987	0.04	—	—
1986	0.01	—	—
1985	0.01	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 95,251,000 ‡	$ 6.42
1988	86,771,000 ‡	4.06
1987	101,608,000 ‡	4.91
1986	57,912,000	4.14
1985	40,026,000	3.32

‡ After allowing for preferred stock at par value.

# Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 433,042	$ 373,763
Cost of sales	295,998	246,304
Expenses	111,384	98,947
Interest expense	83,968	68,838
Invest. loss (inc.)	(42,472)	5,653
Earn. of unconsol. subsid.	(85,555)	(40,220)
Eq. in loss (inc.) of affil.	(13,397)	1,905
Income (loss) bef. taxes	$ 83,116	$ (7,664)
Income taxes	36,000	4,730
Inc. (loss) - cont. oper.	$ 47,116	$ (12,394)
Inc. - discont. oper.	10,921	5,353
Net Income (Loss)	$ 58,037	$ (7,041)
Extraord. loss	(8,070)	—
Net Income (Loss) & extraord. loss	$ 49,967	$ (7,041)

* Included in Costs and Expenses, Depreciation and Amortization: $16,507,000 in 1989 and $15,842,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash	$ 58,319	$ 17,557
Investments	167,352	59,410
Accts. receiv., net	156,197	70,204
*Inventories	212,809	107,624
Net assets held for sale	175,392	155,612
Prepaid expenses	30,879	27,343
Current Assets	$ 800,948	$ 437,750
#Fixed assets	218,713	83,764
Investments	7,022	329,437
Cost in exc. of assets purch.	258,718	99,647
Deferred loan costs	30,145	36,393
Prepaid pension costs	47,515	47,778
Notes receivable	17,481	11,393
Other assets	41,304	19,746
Total Assets	$ 1,421,846	$ 1,065,908

Liabilities
(000's)

Notes payable	$ 25,636	$ 51,352
Long-term debt, curr.	101,179	154,065
Accts. payable	97,379	41,803
Accrued payroll	20,122	7,275
Accrued interest	22,787	21,017
Liability for Fairchild stock	55,210	—
Accrued inc. taxes	12,806	2,800
Other curr. liab.	85,630	34,653
Curr. Liabilities	$ 420,749	$ 312,965
Long-term debt	680,610	603,964
Deferred inc. taxes	41,103	27,436
Other liabilities	44,927	32,935
Post-retirement benefits	72,025	1,697
Redeem. pref. stock of subsid.	67,041	—
+Preferred stock	140	140
++Common stock	1,433	470
Add. paid-in capital	45,852	49,046
Retained earnings	89,525	41,849
Cum. trans. adjust.	(78)	3,325
Treasury stock	(41,481)	(7,919)
Total Liabilities & Shareholders' Equity	$ 1,421,846	$ 1,065,908

* Inventories (54% in 1989 and 31% in 1988) are stated at cost (LIFO); remainder at lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.10 par value; 8% cumulative convertible.

++ $0.10 par value.

Statistical Summary

% Net Income to Equity	60.84	—
Sales to Inventories	2.03	3.47
Debt to Equity	8.46	9.31
Working Capital	$ 380,199,000	$ 124,785,000
Current Ratio	1.90	1.40
Shareholders' Equity	$ 95,391,000	$ 86,911,000

Barry Wright Corporation

(The Company was acquired by Applied Power Inc. on June 28, 1989.)

680 Pleasant Street
Watertown, Massachusetts 02172
(617) 965-5800

Officers: Ralph Z. Sorenson, chairman of the board & chief executive officer; John F. Quinn, president & chief operating officer; Natale C. Caruso, v.p.-finance & administration & chief financial officer; William A. DeVasher, Jr., general counsel, secretary & clerk; Jack L. Manes, Jr., v.p.-human resources; Thomas C. Scyrmgeour, president-Wright Line, Inc.; Eustis Walcott, v.p.-corp. relations; Patricia A. Irwin, asst. treasurer & asst. secretary.

Directors: Ralph Z. Sorenson*, chairman; John F. Quinn*, G. Richard Westin, W. Paul Tippett, Robert P. Henderson*, Roger D. Wellington, J. Atwood Ives, Craig A. Nalen.

* Member of the Executive Committee

Divisions and Subsidiaries:

INDUSTRIAL & AERO PRODUCTS GROUP

Barry Controls Division
Watertown & Brighton, Massachusetts
Burbank, California

Design, manufacture and marketing of engineered products to control the effects of dynamic forces and motions, including vibration, impact shock and noise.

Barry Controls Ltd.
United Kingdom

Manufactures shock and vibration controls.

Barry Controls GmbH (49% owned)
Raunheim, Germany

Sales and marketing distribution in Western Europe.

Gamma S.A.
France

French licensee.

Vlier Engineering Division
Burbank, California
Brighton, Massachusetts

Design, manufacture and marketing of products for holding, positioning and locating parts during manufacture and for reducing 'in plant' noise and vibration.

Zero-Max Division
Minneapolis, Minnesota

Design, manufacture and marketing of mechanical variable-speed drives and accessories, couplings and linear actuators.

Miki Zero-Max Ltd.
Kawasaki-City, Japan
Sales and marketing distribution of Japan.

Dolan-Jenner
Woburn, Massachusetts
Manufactures fiber optics products, controls, and other devices for use in robotics, factory automation, and flexible manufacturing systems.

Products for Automation
Produces attachments to robots' wrists to enable them to perform useful tasks.

Wright Line Inc.
Wright Line Division
Worcester, Massachussetts
High Point, North Carolina
Manufacturer and marketer of integrated filing systems, associated products and office filing expertise enabling customers to orgainize, protect and control all types of records, documents and data.

Wright Line GmbH
Frankfurt, Germany

DataFile Limited
Canada
Manufacture and marketing of color-coded filing systems.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: BAR

Number of Employees

1988	2,079	1985	2,351
1987	2,278	1984	2,387
1986	2,220		

Plant Footage

1988 ...... 1,140,000 sq. ft. 1987 1,275,000

Sales & Earnings

	Net Sales +	Net Income
1988	$ 201,682,000	$ 1,301,000
1987	205,694,000	8,362,000
1986	195,142,000	7,036,000
1985	196,872,000	10,519,000
1984	180,716,000	15,026,000

	No. of Com. Shares #	Earn. per Share #
1988	9,278,000	$ 0.14
1987	8,214,000	1.02
1986	8,649,000	0.81
1985	9,089,000	1.16
1984	8,964,000	1.68

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 8.15 *	—	—
1987	0.60	—	
1986	0.60	—	—
1985	0.60	—	—
1984	0.57	—	—

* Including a special dividend of $8.00 per share under the plan of restructuring.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 48,462,000	$ 4.92
1987	97,023,000	11.76
1986	90,238,000	11.06
1985	107,907,000	11.80
1984	100,019,000	11.08

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 201,682,000	$ 205,694,000
Other income	2,062,000	5,045,000
Total income	$ 203,744,000	$ 210,739,000
Cost of sales	127,453,000	125,171,000
Expenses	70,884,000	69,538,000
Gain from restructuring	(2,405,000)	—
Interest expense	3,824,000	538,000
Income before taxes	$ 3,988,000	$ 15,492,000
Income taxes	2,687,000	7,130,000
Net Income	$ 1,301,000	$ 8,362,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,235,000 in 1988 and $7,094,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash & short-term invest.	$ 3,746,000	$ 12,961,000
Accts. receiv., net	32,740,000	37,246,000
*Inventories	25,928,000	23,487,000
Tax benefit of div. to ESOP	4,316,000	—
Deferred taxes	7,680,000	3,697,000
Other curr. assets	1,877,000	1,742,000
Current Assets	$ 76,287,000	$ 79,133,000
#Fixed assets	40,396,000	43,955,000
Intangibles	10,019,000	11,066,000
Other assets	4,163,000	3,742,000
Total Assets	$ 130,865,000	$ 137,896,000

Liabilities

Notes payable	$ —	$ 397,000
Long-term debt, curr.	205,000	235,000
Accts. payable	13,829,000	10,628,000
Accruals	21,590,000	15,079,000
Income taxes	6,669,000	513,000
Current Liabilities	$ 42,293,000	$ 26,852,000
Long-term debt	30,159,000	4,528,000
Deferred compensation	1,346,000	980,000
Deferred inc. taxes	8,605,000	8,513,000
+Common stock	10,713,000	9,188,000
Add. paid-in capital	46,461,000	20,961,000
Retained earnings	4,216,000	82,649,000
For. curr. trans. adjust.	3,961,000	3,259,000
Treasury stock	(16,889,000)	(19,034,000)
Total Liabilities & Shareholders' Equity	$ 130,865,000	$ 137,896,000

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO or average. Certain inventories of the Industrial and Aero Prods. Group stated at FIFO or average.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.98	7.53
% Net Income to Sales	0.65	4.07
% Net Income to Equity	2.68	8.62
Sales to Inventories	7.78	8.76
Debt to Equity	0.63	0.05
Working Capital	$ 33,994,000	$ 52,281,000
Current Ratio	1.80	2.95
Shareholders Equity	$ 48,462,000	$ 97,023,000

Base Ten Systems, Inc.

One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010
FAX: (609) 586-1593

Officers: Myles M. Kranzler, chairman of the board & president; William M. Errickson, sr. v.p. & secretary; James A. Eby, sr. v.p.-engineering; Edward J. Klinsport, group v.p.; Richard G. Kandrac, v.p.-operations; Alan J. Eisenberg, v.p.; Elio Ravera, v.p.; John F. Pohlke, v.p..

Directors: Myles M. Kranzler, chairman; William M. Errickson, James A. Eby, Robert G. Kales, Jr., Edward J. Klinsport, Mark Auerbach, .

Areas of Work: Designs and manufactures electronic data systems used in the testing, research and development of new aircraft, missiles and satellites. Other applications include avionic controls and microprocessor systems, and alarm reporting systems.

Division:

REM Machine Division
One Electronic Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Subsidiaries:

Base Ten GmbH
Erfurter Strasse 29
8057 Eching, Federal Republic of Germany
01149893190020

Base Ten Systems, Ltd.
New Century House
Ancells Business Park
Hampshire GU13 8UZ, United Kingdom
01144252517665

Base Ten Systems, Inc.
Defense Products Marketing West
1580 Claremont Boulevard - Suite 201
Claremont, California 91711
(714) 624-5066

Base Ten International Sales, Ltd.
58 Duke Street
Kingston, Jamaica

Base Ten Defense, Inc.
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Base Ten Software, Inc.
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BASEA and BASEB (NASDAQ)

Number of Employees:

1989	483	1986	591
1988	510	1985	553
1987	562		

Plant Footage:

1989	131,000 sq. ft.	1986	118,000
1988	131,000	1985	100,000
1987	118,000		

Sales & Earnings

	Revenues +	Net Income
1989	$ 48,981,000	$ 2,877,000
1988	36,678,000	(3,299,000)
1987	33,325,000	(1,818,000)
1986	32,417,000	799,000
1985	26,917,000	1,307,000

	No. of Com. Shares #	Earn. per Share #
1989	3,515,553	$ 0.82
1988	3,516,821	—
1987	3,527,448	—
1986	3,516,642	0.23
1985	3,490,727	0.37

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 10,732,000	$ 3.05
1988	9,119,000	2.59
1987	12,554,000	3.56
1986	13,641,000	3.88
1985	12,784,000	3.66

+ Based on the weighted average number of shares outstanding.

Income Account*

Year ended Oct. 31	1989	1988
Sales	$ 47,306,000	$ 36,135,000
Other income	1,675,000	543,000
Total revenues	$ 48,981,000	$ 36,678,000
Cost of sales	35,248,000	27,575,000
Expenses	9,874,000	8,878,000
Interest	1,119,000	815,000
Inc. (loss) bef. taxes	$ 2,740,000	$ (590,000)
Income taxes (credit)	1,176,000	(239,000)
Inc. (loss) - cont. oper.	$ 1,564,000	$ (351,000)
Inc. (loss) - discont. oper.	1,313,000	(2,948,000)
Net Income (Loss)	$ 2,877,000	$ (3,299,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,728,000 in 1989 and $1,902,000 in 1988.

Assets

As of Oct. 31	1989	1988
Cash & cash equiv.	$ 2,536,000	$ 6,970,000
Accts. receiv., net	16,410,000	12,560,000
*Inventories	5,416,000	4,494,000
Other curr. assets	620,000	502,000
Invest. held for sale	—	1,537,000
Current Assets	$ 24,982,000	$ 26,063,000
#Fixed assets	8,920,000	8,862,000
Restricted cash	1,556,000	1,556,000
Other assets	492,000	522,000
Invest. in market. secur.	839,000	1,975,000
Total Assets	$ 36,789,000	$ 38,978,000

Liabilities

Long-term debt, curr.	$ 694,000	$ 6,000
Accts. payable & accruals	6,003,000	6,364,000
Cust. advances	4,617,000	11,957,000
Income taxes	123,000	281,000
Curr. Liabilities	$ 11,437,000	$ 18,608,000
Long-term debt	12,748,000	10,513,000
Deferred inc. taxes	1,459,000	253,000
Deferred comp.	413,000	485,000
+ Common stock	3,515,000	3,515,000
Add. paid-in capital	9,653,000	9,653,000
Retained earnings (deficit)	(908,000)	(3,785,000)
For. curr. trans. adjust.	(294,000)	(264,000)
Val. allow. for market. secur.	(1,234,000)	—
Total Liabilities & Shareholders' Equity	$ 36,789,000	$ 38,978,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amoritization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	26.81	—
Sales to Inventories	8.73	8.04
Debt to Equity	1.25	1.15
Working Capital	$ 13,545,000	$ 7,455,000
Current Ratio	2.18	1.40
Shareholders' Equity	$ 10,732,000	$ 9,119,000

Becton, Dickinson and Company

One Becton Drive
Franklin Lakes, New Jersey 07417-1880
(201) 848-6800
FAX: (201) 848-6475

Officers: Wesley J. Howe, chairman of the board; Raymond V. Gilmartin, president & chief exec. officer; Raymond P. Ohlmuller, v.p. & secretary; John W. Galiardo, v.p. & general counsel; Donald S. Hetzel, v.p.-research & development; Mark H. Borofsky, v.p.-taxes; Edward R. Duffie, Jr., v.p.-advanced business development; E. Ralph Biggadike, group president; Nagesh S. Mhatre, v.p.; Robert A. Reynolds, v.p.-finance & controller; James W. Hulse, v.p.-quality and regulatory affairs; James R. Wessel, v.p.-human resources; Paul Creager, group president; Clateo Castellini, sector president-medical; Walter M. Miller, sector president-diagnostic; Kenneth R. Weisshaar, v.p.-corp. planning, performance & development; Alfred J. Battaglia, group president; Geoffrey D. Cheatham, v.p. & treasurer; Thomas A. Reichert, v.p.- medical affairs.

Directors: Wesley J. Howe*, chairman; Harry N. Beaty, Raymond V. Gilmartin*, Henry P. Becton, Jr., Richard W. Hanselman*, William B. Macomber, Frank A. Olson, Gerald M. Edelman*, Raymond S. Troubh*, Thomas A. Holmes*, Gloria M. Shatto.

* Member of the Executive Committee

Areas of Work: The Company manufactures a broad range of medical and diagnostic products for use by the health care professionals, medical research institutions, and the general public.

Divisions and Subsidiaries:

Microbiology Systems
250 Schilling Circle
Cockeysville, Maryland 21030
Develops tests for infectious diseases.

Becton Dickinson FACS
490 B Lakeside Drive
Sunnyvale, California 94086
(408) 738-8558
Manufactures fluorescence-activated cell sorter systems which include an analysis console with microprocessor and keyboard.

Becton Dickinson Diagnostic Instrument Systems
Mountain View Avenue
Orangeburg, New York 10962
(914) 359-2700
Manufactures automated radioimmunossay equipment which is used to detect the presence of extremely small quantities of minute substances.

Becton Dickinson and Company
One Becton Drive
Franklin Lakes, New Jersey 07417

Becton Dickinson Consumer Products
One Becton Drive
Franklin Lakes, New Jersey 07417

Becton Dickinson Labware
2 Bridgewater Lane
Lincoln Park, New Jersey 07035

Becton Dickinson Immunocytometry Systems
2350 Qume Drive
San Jose, California 55131

Becton Dickinson AcuteCare Division
One Becton Drive
Franklin Lakes, New Jersey 07417
Manufactures medical and surgical gloves and specialty surgical blades.

Becton Dickinson Research Center
Davis Drive
Research Triangle Park, North Carolina 27709

Becton Dickinson VACUTAINER Systems
1 Stanley Street
East Rutherford, New Jersey 07070

Becton Dickinson Primary Care Diagnostics
One Becton Drive
Franklin Lakes, New Jersey 07417

Ivers-Lee
147 Clinton Road
West Caldwell, New Jersey 07006
Provides packaging services to pharmaceutical, cosmetics and toiletry companies.

Deseret Medical
Manufactures and markets intravenous and operating room products and cardiovascular devices.

Nippon Becton Dickinson Ltd.
Shimato Building
5-34 Akaska 8-Chome
Minato-Ku, Tokyo 107 Japan

Becton Dickinson Europe
Pre Pichat
5, Chemin des Sources
38241 Meylan, France

Becton Dickinson VACUTAINER Systems-Europe
Becton Dickinson Laboratory Products-Europe
Becton Dickinson Medical Products-Europe
All at:

Pre Pichat
5, Chemin des Sources
38240 Meylan, France

Becton Dickinson Latin America
One Becton Drive
Franklin Lakes, New Jersey 07417

Transfer Agent(s):

First Chicago Trust Co. of N.Y.
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: BDX

Number of Employees:

1989	18,800
1988	20,600
1987	19,900
1986	19,300
1985	16,900

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1989	$ 1,811,456	$ 213,596
1988	1,709,368	161,943
1987	1,462,882	148,164
1986	1,203,943	121,930
1985	1,044,366	88,002

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	39,586,000	$ 5.40
1988	40,401,000	4.01
1987	41,548,000	3.57
1986	42,903,000	2.85
1985	42,338,000	2.10

+ Of continuing operations only.
† Including extraordinary gains of $6,345,000 ($0.15 per share) in 1987 and $10,017,000 ($0.23 per share) in 1986.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1989	1988
Medical	$ 1,063,616	$ 1,034,694
Diagnostic	747,840	674,674
Total	$ 1,811,456	$ 1,709,368

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	0.86	—	
1987	0.74	—	—
1986	0.66	—	2-for-1
1985	0.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1989	$ 1,071,497	$ 27.99
1988	959,803	24.[illegible]3
1987	861,284	21.62
1986	803,925	19.62
1985	681,052	16.82

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 1,811,456	$ 1,709,368
Cost of sales	983,142	914,318
Expenses	572,519	556,009
Interest expense	34,527	37,657
Other income	(6,518)	(4,868)
Income before taxes	$ 227,786	$ 206,252
Income taxes	69,784	57,396
Inc.- cont. oper.	$ 158,002	$ 148,856
Inc.- discont. oper.	55,594	13,087
Net Income	$ 213,596	$ 161,943

* Included in Costs and Expenses, Depreciation and Amortization: $121,947,000 in 1989 and $109,217,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equivalents	$ 61,039	$ 77,175
Short-term invest.	34,015	46,323
Receivables, net	361,030	339,418
*Inventories	355,229	356,425
Prepaid expenses	57,317	63,651
Current Assets	$ 868,630	$ 882,992
Investments	17,291	3,300
#Fixed assets	1,100,567	925,447
Intangibles & other assets	283,642	255,794
Total Assets	$ 2,270,130	$ 2,067,533

Liabilities
(000's)

Long-term debt, curr.	$ 188,549	$ 189,204
Accts. payable & other liabilities	379,212	336,567
Curr. Liabilities	$ 567,761	$ 525,771
Long-term debt	516,047	499,969
Deferred inc. taxes	114,825	81,990
+Common stock	42,674	42,674
Add. paid-in capital	145,842	143,090
Foreign curr. trans. adj.	(17,623)	(20,545)
Retained earnings	1,126,220	951,304
Treasury stock	(225,616)	(156,720)
Total Liabilities & Shareholders' Equity	$ 2,270,130	$ 2,067,533

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	19.93	16.87
Sales to Inventories	5.10	4.80
Debt to Equity	0.66	0.72
Working Capital	$ 300,869,000	$ 357,221,000
Current Ratio	1.53	1.68
Shareholders' Equity	$ 1,071,497,000	$ 959,803,000

Bel Fuse, Inc.

198 Van Vorst Street
Jersey City, New Jersey 07302
(201) 432-0463
FAX: (201) 432-9542

Officers: Elliot Bernstein, president; Daniel Bernstein, vice president; Peter Christoffer, v.p.-engineering; Don Morehouse, v.p.-production; Arnold Sutta, v.p.-marketing; Robert Simandl, secretary; Peter Loh, managing director of company's Hong Kong subsidiary.

Directors: Elliot Bernstein, Howard Bernstein, Robert Simandl, Peter Loh, Joel Wiener, Daniel Bernstein, Peter Gilbert, David P. Olsan.

Areas of Work: Engaged in the design, manufacture and sale of electronic components and hybrid circuits. The company manufactures three different types of electronic components- delay lines, miniature and micro fuses, and inductive components.

Subsidiaries:

Bel Fuse Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

Acessorios Electronicos (Bel Fuse Macau) Limited
Fabrica G-1, Do Andar
Do Predio Comos
Nos. 169-169A
Av. Almirante Lacerda, Macau

Bel Components Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

CAC Microcircuits, Inc.
2 Southgate Drive
Mount Carmel, Illinois 62863
(618) 263-4343
Manufactures custom thick film hybrid circuits.

Central Coil Company, Inc.
1940 Landersdale Road
Camby, Indiana 46113
(317) 831-4226
Manufactures military coils.

Acquisition:

Preferred Electronics Ireland Limited ('PEI')
Waterford, Ireland
Manufactures transformers.

Transfer Agent(s):

The Trust Company of New Jersey
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BELF (NASDAQ)

Number of Employees:

1989	1,112	1986	1,203
1988	1,457	1985	957
1987	1,408		

Plant Footage:

1989	157,000 sq. ft.	1986	141,100
1988	157,000	1985	129,000
1987	157,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 30,212,747	$ (1,844,023)
1988	37,643.391	3,136,990
1987	33,716,525	4,124,833
1986	23,320,546	2,633,085
1985	17,873,074	1,343,493

	No. of Com. Shares #	Earn. per Share #
1989	4,838,195	$ —
1988	4,829,483	0.65
1987	4,723,849	0.87
1986	4,790,364	0.55
1985	4,760,600	0.28

(Loss)
Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 27,809,159	$ 5.75
1988	29,653,182	6.14
1987	26,492,067	5.61
1986	20,933,450	4.37
1985	18,226,677	3.83

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 30,212,747	$ 37,643,391
Cost of sales	23,171,099	25,346,984
Expenses	9,009,014	8,512,007
Other income	(190,646)	(571,128)
Interest expense	112,303	29,486
Eq. in loss of assoc. co.	—	32,052
Inc. (loss) bef. taxes	$ (1,889,023)	$ 4,293,990
Income taxes (credit)	(45,000)	1,157,000
Net Income (Loss)	$ (1,844,023)	$ 3,136,990

* Included in Costs and Expenses, Depreciation: $2,005,363 in 1989 and $1,849,701 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 6,333,183	$ 8,309,863
Accts. receiv., net	4,506,515	4,455,775
*Inventories	4,386,287	4,169,928
Prepaid expenses	380,493	233,850
Refund. inc. taxes	1,365,000	—
Deferred income taxes	33,400	38,600
Current Assets	$ 17,004,878	$ 17,208,016
#Fixed assets	13,935,487	13,193,839
Other assets	690,284	390,359
Exc. of cost over assets acq.	2,999,727	2,576,018
Total Assets	$ 34,630,376	$ 33,368,232

Liabilities

	1989	1988
Notes payable	$ 1,600,000	$ —
Long-term debt. curr.	110,375	13,163
Accts. payable	1,198,028	567,052
Accruals	1,904,598	1,810,708
Income taxes	116,105	345,475
Curr. Liabilities	$ 4,929,106	$ 2,736,398
Long-term debt	144,111	158,652
Deferred inc. taxes	1,748,000	820,000
+Common stock	483,820	483,820
Add. paid-in capital	5,918,584	5,918,584
Retained earnings	21,406,755	23,250,778
Total Liabilities & Shareholder's Equity	$ 34,630,376	$ 33,368,232

* At lower of weighted average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	—	11.41
%Net Income to Sales	—	8.33
%Net Income to Equity	—	10.58
Sales to Inventories	6.89	9.03
Debt to Equity	0.07	0.01
Working Capital	$ 12,075,772	$ 14,471,618
Current Ratio	3.45	6.29
Shareholders' Equity	$ 27,809,159	$ 29,653,182

Bell Industries, Inc.

11812 San Vicente Boulevard, Suite 300
Los Angeles, California 90049-5069
(213) 826-6778
FAX: (213) 447-3265

Officers: Theodore Williams, president & chief executive officer; Howard B. Franklin, president-Electronics Distribution Group; Samuel Essick, sr. v.p.; Bruce M. Jaffe, exec. v.p. & chief operating officer; Paul F. Doucette, sr. v.p.; D. J. Hough, v.p.; Gordon Graham, sr. v.p.; John M. Brase, v.p.; John J. Cost, secretary; Dennis M. Benson, corp. controller & asst. treasurer; Nathan Landgarten, president-Industrial Products Group & treasurer; Jay Conzen, v.p. & chief financial officer.

Directors: T. E. Williams *, chairman; Howard B. Franklin *, Bruce M. Jaffe *, Nathan Landgarten *, John J. Cost, Ellis Ring, Milton Rosenberg.

* Member of the Executive Committee

Areas of Work: Company is a distributor of electronic components. In addition it distributes building and construction, graphic arts and motor vehicle-related products, and manufactures computer and electronic components.

Divisions:

Electronics Distribution Group
1161 N. Fairoaks
Sunnyvale, California 94089
(408) 734-8570

Electronics Distribution Divisions
515 Busse Road
Unit D-1
Elk Grove Village, Illinois 60007
(312) 640-1910

1900 132nd N.E.
Bellevue, Washington 98005
(206) 747-1515

1705 West 4th Street
Tempe, Arkansas 85281
(602) 966-7800

8155 West 48th Avenue
Wheatridge, Colorado 80033
(303) 424-1985

3639 West 2150 South
Salt Lake City, Utah 84120
(801) 972-6969

306 East Alondra Boulevard
Gardena, California 90247
(213) 515-1800

11728 Linn N.E.
Albuquerque, New Mexico 87123
(505) 292-2700

12322 Monarch Street
Garden Grove, California 92641
(714) 895-7801

500 Giuseppe Court #7
Roseville, California 95678
(916) 969-3100

1829A De Havilland Drive
Thousand Oaks, California 91320
(805) 499-6821

2599 Garcia Avenue
Mountain View, California 94043
(415) 960-1440

W. 227 N. 913 West Mound Drive
Waukesha, Wisconsin 53186
(414) 547-8879

6024 Southwest Jean Road
Lake Oswego, Oregon 97034
(503) 241-4115

118 Westpark Road
Dayton, Ohio 45459
(513) 434-8231

444 Windsor Park Drive
Dayton, Ohio 45459
(513) 435-8660

133 South Pennsylvania Avenue
Indianapolis, Indiana 46204
(317) 634-8202

3433 East Washington Avenue
Fort Wayne, Indiana 46801
(219) 423-3422

Just-in-Time Divisions

Electronics Manufacturing Group

Illuminated Displays Division
18225 N.E. 76th Avenue
Redmond, Washington 98052
(206) 885-4353

Value-Added Divisions
Cable and Components Divisions
San Jose, California
Indianapolis, Indiana

Computer Memory Division
2360 Zanker Road
San Jose, California 95131
(408) 262-5747

Precsion Components Division
12605 South Van Ness Avenue
Hawthorne, California 90250
(213) 757-8381

Precision Metalcraft Division
2637 Marine Way
Mountain View, California 94040
(415) 961-5532

J.W. Miller Company
Compton, California

Electronics Systems Division
1831 South Ritchy Street
Santa Ana, California 92705

Grahphic Arts Group

Graphic Arts Supply Divisison
4425 Sheila Street
Commerce, California 90023
(213) 268-9500

Graphic Arts Supply Division
615 Dado Street
San Jose, California 95131
(408) 946-1500

RV/MH Group

RV/MH Supplies Division
500 Hardman Ave.
South St. Paul, Minnesota 55075
(612) 450-9020

RV/MH Supplies Division
12775 W. Silver Spring Road
Butler, Wisconsin 53007
(414) 781-1860

Building Products Group

Plumbing Supply Division
7 College Avenue
Santa Rosa, California 95401
(707) 545-7101

HVAC Supply Division
Anaheim, California

Fab Steel Supply, Inc.
A southern California-based building products distributor.

Comp-Fast, Inc.
Distributes electronic components in the Northeast.

Transfer Agent(s):

Union Bank
140 Cedar Street
New York, New York 10006

Security Pacific National Bank
Security Pacific Plaza
Los Angeles, California 90071

Stock Exchange(s): New York, Pacific

Ticker Symbol: BI

Number of Employees:

1989	1,750	1986	1,900
1988	1,900	1985	1,800
1987	2,300		

Sales & Earnings

	Net Sales	Net Income
1989	$ 418,198,000	$ 4,550,000
1988	431,632,000	12,765,000
1987	357,133,000	3,326,000
1986	300,176,000	3,031,000
1985	304,134,000	6,747,000

	No. of Com. Shares #	Earn. per Share #
1989	6,089,000	$ 0.75
1988	6,513,000	1.96
1987	6,559,000	0.51
1986	6,534,000	0.46
1985	6,437,000	1.05

Based on the average number of shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(000's)

	1989	1988
Electronics	$ 256,646	$ 274,024
Building products	88,578	89,293
Graphic arts	47,777	44,372
Motor vehicle parts & accs.	25,197	23,943
Total	$ 418,198	$ 431,632

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.280	—	—
1988	0.280	—	
1987	0.267	20%	—
1986	0.267	—	—
1985	0.267	—	—

† Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 112,424,000	$ 19.29
1988	116,460,000	18.40
1987	107,611,000	16.58
1986	104,967,000	16.31
1985	102,599,000	16.08

† Adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 418,198	$ 431,632
Cost of sales	321,855	328,713
Expenses	86,128	87,705
Interest expense	2,935	3,209
Gain on sale of oper.	—	(9,753)
Income before taxes	$ 7,280	$ 21,758
Income taxes	2,730	8,993
Net Income	$ 4,550	$ 12,765

* Included in Costs and Expenses, Depreciation and Amortization: $5,521,000 in 1989 and $6,603,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 7,038	$ 3,888
Accts. receiv., net	53,615	55,402
* Inventories	84,479	93,598
Prepaid expenses	3,934	3,310
Current Assets	$ 149,066	$ 156,198
# Fixed assets	21,782	22,670
Other assets	10,373	12,743
Total Assets	$ 181,221	$ 191,611

Liabilities
(000's)

Accts. payable	$ 23,044	$ 28,757
Accruals	12,063	11,934
Long-term liab., curr.	5,705	2,579
Dividends payable	408	443
Income taxes	673	5,706
Curr. Liabilities	$ 41,893	$ 49,419
Notes, mortg., deben.	20,123	18,862
Deferred comp.	5,157	5,578
Deferred inc. taxes	1,624	1,292
+ Common stock	1,457	1,582
Add. paid-in capital	42,939	49,728
Retained earnings	68,028	65,150
Total Liabilities & Shareholders' Equity	$ 181,221	$ 191,611

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.74	5.04
%Net income to Sales	1.09	2.96
%Net Income to Equity	4.05	10.96
Sales to Inventories	4.95	4.61
Debt to Equity	0.23	0.18
Working Capital	$ 107,173,000	$ 106,779,000
Current Ratio	3.56	3.16
Shareholders' Equity	$ 112,424,000	$ 116,460,000

Bi-Coastal Corporation

(formerly The Singer Company)

15438 North Florida Avenue
Tampa, Florida 33613-1223
(813) 264-7100

(Acquired by a subsidiary of Bilzerian Partners Limited Partnership 1, a private corporation, on April 25, 1988.)

Officers: Paul A. Bilzerian, chairman & chief executive officer; Joseph J. Campanella, president & chief operating officer; David Redmond, sr. v.p. & chief financial officer; Brian F. Murphy, v.p.-tax; Robert K. Scott, v.p. & secretary; Francis E. Nicastro, treasurer; Jeremiah A. Keating, controller.

Directors: Paul A. Bilzerian, chairman; Arthur G. Cohen, Alex G. Spanos.

Areas of Work: Defense Electronics and Training Systems products include a broad line of navigation systems for aircraft, spacecraft, and marine vessels; guidance systems for missiles; anti-submarine warfare systems; aircraft, spacecraft, marine and industrial simulators; large-screen display systems; electronic intelligence systems; telecommunications; terminals; and related systems and products.

Divisions and Subsidiaries:

Defense Electronics:

Librascope Corporation
833 Sonora Avenue
Glendale, California 91201
(818) 244-6541

Products: Naval weapon control systems, underwater acoustic systems, computing and data processing systems for shipborne antisubmarine warfare applications; mobile command/control and communications systems for the army; fixed station command/control systems for air defense including real-time displays ranging from CRT to very large screen; computer peripheral equipment such as disc memories and encoders.

Training Systems:

Singer Link-Miles Limited

Link-Miles International Simulation Corporation

Industrial Simulation Corporation

Number of Employees:

1988	3,800
1987	28,000
1986	28,000
1985	46,000
1984	50,000

Plant Footage:

1988 .... 889,000 sq. ft.

Sales & Earnings x

	Net Sales + (000's)	Net Income ‡ (000's)
1988*	$ 301,900	$ (38,200)
1987#	1,902,700	26,400
1986#	1,725,200	82,600
1985#	1,569,500	82,300
1984#	1,481,500	65,100

	No. of Com. Shares	Earn. per Share ‡ †
1988*	21,072,031	$ —
1987#	21,069,031	1.01
1986#	20,964,694	3.82
1985#	17,265,147	4.30
1984#	17,089,706	3.41

(Loss)
* Successor company.
# Predecessor company.
x Restated to reflect corporate reorganization.
+ Of continuing operations only.
‡ Including extraordinary gains of $3,000,000 ($0.14 per share) in 1987, $18,000,000 ($0.89 per share) in 1986 and $11,800,000 ($0.67 per share) in 1984.
† Based on the monthly average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1988	1987
Defense electronics	$ 131,100	$ 783,400
Training System	170,800	785,600
Motor products	—	230,100
Meter products	—	103,600
Total	$ 301,900	$ 1,902,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.40	—	—
1986	0.40	—	
1985	0.30	—	—
1984	0.10	—	—
1983	0.10	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1988*	$ (62,700,000)	$ —
1987#	489,600,000	23.24
1986#	463,400,000	22.10
1985#	403,400,000	23.36
1984#	321,600,000	18.82

(Deficiency)
* Successor company.
# Predecessor company.
‡ After allowing for preferred stock at total liquidation preference value.

Income Account *
(000's)

Year ended Dec. 31	1988	1987‡
Net sales	$ 301,900	$ 1,902,700
Cost of sales & exp.	277,000	1,815,700
Gain from divestitures	(232,400)	—
Interest expense	204,400	47,800
Misc. expenses	6,700	11,800
Income before taxes	$ 46,200	$ 27,400

Income taxes	84,400	4,000
Net Income (Loss)	$ (38,200)	$ 23,400
Extraord. gain	—	3,000
Net Income (Loss) & extraord. gain	$ (38,200)	$ 26,400

‡ Predecessor company.
* Included in Costs and Expenses, Depreciation and Amortization: $5,000,000 in 1988 and $61,900,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987‡
Cash & cash equiv.	$ 179,400	$ 18,400
Accts. receiv., net	70,900	440,800
*Inventories	34,400	426,700
Prepaid expenses	3,400	7,200
Current Assets	$ 288,100	$ 893,100
Investments	—	93,300
#Fixed assets	54,400	325,100
Deferred inc. taxes	30,000	—
Intangibles	—	190,900
Other assets	72,600	87,000
Total Assets	$ 445,100	$ 1,589,400

Liabilities
(000's)

Notes & loans payable	$ —	$ 282,800
Long-term debt. curr.	50,300	17,700
Accts. payable	66,800	207,900
Accruals	126,600	139,500
Income taxes	50,500	500
Curr. Liabilities	$ 294,200	$ 648,400
Long-term debt	30,200	249,100
Other liabilities	39,300	58,700
Redeem. pref. stock	1,000	—
+ Preferred stock	35,800	18,700
++ Common stock	200	210,700
Add. paid-in capital	86,200	122,900
Retained earnings (deficit)	(43,200)	282,500
Unreal. loss on eq. secur.	—	(8,700)
Eq. adjust. from curr. trans.	1,400	7,100
Total Liabilities & Shareholders' Equity	$ 445,100	$ 1,589,400

‡ Predecessor company.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.30	1.44
%Net Income to Sales	—	1.23
%Net Income to Equity	—	3.70
Debt to Equity	1.00	0.87
Working Capital	—	$ 244,700,000
Current Ratio	—	1.38
Shareholders' Equity	$ 80,400,000	$ 633,200,000

Bio-Rad Laboratories, Inc.

1000 Alfred Nobel Drive
Hercules, California 94547
(415) 724-7000
FAX: (415) 724-3167

Officers: David Schwartz, president; James Bennett, v.p.-Diagnostics Group; Thomas L. Braje, v.,p.; Burton A. Zabin, v.p.; Peter V. Leigh, corp. controller; Warren R. Howell, v.p.; Guy Gerard, v.p.; Norman Schwartz, v.p.; James L. Viglienzone, treasurer; Sanford S. Wadler, general counsel.

Directors: James J. Bennett, Albert J. Hillman, Philip L. Padou, Alice N. Schwartz, David Schwartz, Burton A. Zabin.

Areas of Work: Engaged in the development, manufacture and marketing of products used for the analysis of complex chemical mixtures into their individual components and to provide qualitative and quantitative information on each component. Products include specialty chemical and biological materials, separation and purification systems and accessories, diagnostic test kits, reagants and instruments, Fourier Transform Infra-Red Spectrometers, semiconductor measurement instruments, and confocal laser-scanning microscopes, and are used in a broad range of applications including research, manufacturing process and quality control and in the clinical and medical diagnosis of organic and metabolic disturbances in humans. The company also publishes spectral reference data used in research and industry.

Divisions and Subsidiaries:

Research Products Division
Richmond, California

Clinical Division
Hercules, California

Digilab Division
Cambridge, Massachusetts

Environmental Chemical Specialties Division
Anaheim, California

Sadtler Research Laboratories Division
Philadelphia, Pennsylvania

Ophthalmic Division
Cambridge, Massachusetts

Microscience Division
Watford, England

Bio-Rad Laboratories, Ges.m.b.H.
Vienna, Austria

Bio-Rad Laboratories S.A.-N.V.
Brussels, Belgium

Bio-Rad Laboratories (Canada) Ltd.
Mississauga, Canada

Bio-Rad Laboratories Ltd.
Watford, England

Bio-Rad Laboratories B.V.
Utrecht, The Netherlands

Bio-Rad Laboratories S.R.L.
Milan, Italy

Bio-Rad Laboratories AG
Zurich, Switzerland

Bio-Rad Laboratories GmbH
Munich, West Germany

Bio-Rad Laboratories Pty., Limited
Sydney, Australia

Nippon Bio-Rad Laboratories K.K.
Tokyo, Japan

Bio-Rad Pacific
Hong Kong

Bio-Rad S.A.
Paris, France

Emscope Laboratories Limited
England
Manufactures electron microscopy sample preparation equipment and supplies.

Oculab, Inc.
Glendale, California
Manufactures ophthalmic measuring devices.

Vickers Instruments, Inc.
(renamed Nanoquest, Inc.)
Woburn, Massachusetts

Vickers Instruments (Canada), Inc.
(renamed Nanoquest (Canada) Inc.
Ottawa, Canada

The two Vickers Instruments acquisitions develop, manufacture and market optical and electron beam measuring products principally to/for the semiconductor industry.

Transfer Agent(s):

Bankers Trust Company of California, NA
Corporate Trust & Agency Group
4 Albany Street
New York, New York 10015
Mailing address:
P.O. Box 318
Church Street Station
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: Class A common stock: BIO.A; Class B common stock: BIO.B

Number of Employees:

1989	2,100	1987	1,400
1988	1,700	1986	1,300

Sales & Earnings

	Net Sales	Net Income +
1989	$ 236,271,000	$ 8,981,000
1988	198,898,000	9,160,000
1987	159,479,000	7,713,000
1986	126,579,000	5,462,000
1985	102,329,000	3,612,000

	No. of Com. Shares ‡	Earn. per Share +‡
1989	7,643,000	$ 1.18
1988	7,578,000	1.21
1987	7,552,000	1.02
1986	7,262,000	0.75
1985	6,514,000	0.55

+ Including extraordinary losses of $1,168,000 ($0.15 per share) in 1989, $304,000 ($0.04 per share) in 1988 and $322,000 ($0.04 per share) in 1986.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1989	1988
Research products	$ 86,843,000	$ 76,726,000
Diagnostic products	76,495,000	65,406,000
Analytical instrumentation	72,933,000	56,766,000
Total	$ 236,271,000	$ 198,898,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	50%	—
1985	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 68,856,000	$ 9.01
1988	59,513,000	7.85
1987	50,138,000	6.64
1986	42,353,000	5.83
1985	29,216,000	4.49

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 236,271,000	$ 198,898,000
Cost of sales	103,236,000	87,946,000
Expenses	112,037,000	91,164,000
Interest expense	6,064,000	5,325,000
Invest. inc.	(504,000)	(272,000)
Other income	(425,000)	(458,000)
Income before taxes	$ 15,863,000	$ 15,193,000
Income taxes	5,714,000	5,729,000
Net Income	$ 10,149,000	$ 9,464,000
Extraord. loss	(1,168,000)	(304,000)
Net Income & extraord. loss	$ 8,981,000	$ 9,160,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,907,000 in 1989 and $6,405,000 in 1938.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 2,909,000	$ 3,950,000
Accts. receiv., net	59,217,000	46,685,000
*Inventories	53,233,000	44,181,000
Other curr. assets	8,614,000	6,928.000
Current Assets	$ 123,973,000	$ 101,744,000
#Fixed assets	50,139,000	44,027,000
Market securities	5,873,000	5,444,000
Other assets	4,368,000	4,109,000
Total Assets	$ 184,353,000	$ 155,324,000

Liabilities

	1989	1988
Notes payable	$ 23,657,000	$ 15,968,000
Long-term debt, curr.	1,799,000	428,000
Accts. payable	16,571,000	15,326,000
Accrued inc. taxes	570,000	1,177,000
Other curr. liabilities	31,658,000	20,457,000
Curr. Liabilities	$ 74,255,000	$ 53,356,000
Long-term debt	35,037,000	36,711,000
Deferred inc. taxes	6,205,000	5,744,000
+ Common stock	7,698,000	7,605,000
Add. paid-in capital	14,434,000	13,742,000
Retained earnings	46,675,000	37,694,000
For. curr. trans.	845,000	1,681,000
Net unreal. loss on market. secur.	(796,000)	(1,209,000)
Total Liabilities & Shareholders' Equity	$ 184,353,000	$ 155,324,000

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	6.71	7.64
%Net Income to Sales	4.30	4.76
%Net Income to Equity	14.74	15.90
Sales to Inventories	4.44	4.50
Debt to Equity	0.88	0.89
Working Capital	$ 49,718,000	$ 48,388,000
Current Ratio	1.67	1.91
Shareholders' Equity	$ 68,856,000	$ 59,513,000

The Birtcher Corporation

4501 North Arden Drive
El Monte, California 91731
(818) 575-8144
FAX: (818) 443-8639

Officers: Ronald E. McAdams, chairman of the board, chief executive & financial officer; William E. Maya, president, chief operating officer & secretary; Daniel P. Whelan, v.p. & chief financial officer; Robert O. Hancock, v.p.-sales; Robert H. Colgrove, v.p.-operations.

Directors: Ronald E. McAdams, chairman; William E. Maya, Ernest V. Jarvis, Sr., David B. Jones, James R. Weersing.

Areas of Work: Designs, manufactures and distributes electronic medical instruments and electronic hardware.

Transfer Agent(s):

Bank of America
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIRT (NASDAQ)

Number of Employees:

1989	70	1986	N.A.
1988	48	1985	133
1987	55		

Plant Footage:

1989	31,000 sq. ft.	1986	56,500
1988	31,000	1985	63,000
1987	51,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 6,915,000	$ 946,000
1988	6,003,000	701,000
1987	5,782,000	(1,939,000)
1986	6,862,000	(72,000)
1985*	3,320,000	(3,719,000)

	No. of Com. Shares	Earn. per Share ‡ #
1989	2,073,014	$ 0.20
1988	2,073,014	0.16
1987	2,073,014	—
1986	2,073,014	—
1985*	2,019,514	—

(Loss)
* 6 months.
+ Of continuing operations only.
‡ Including extraordinary gain of $370,000 in 1986.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,729,000 ‡	$ 0.83
1988	844,553 ‡	0.41
1987	694,281 ‡	0.33
1986	2,772,193	1.34
1985	2,745,076	1.36

‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 6,915,000	$ 6,003,000
Cost of sales	2,944,000	2,768,000
Expenses		
Repair	192,000	190,000
Eng. and development	490,000	348,000
Sell., gen., & adm.	2,540,000	2,268,000
Interest income	(215,000)	(185,000)
Other income	(3,000)	(87,000)
Income bef. taxes	$ 967,000	$ 701,000
Income taxes	21,000	—
Net Income	$ 946,000	$ 701,000

* Included in Costs and Expenses, Depreciation and Amortization: $217,000 in 1989 and $73,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 350,000	$ 27,000
Marketable securities	1,031,000	3,708,000
Accts. receiv, net	1,591,000	940,000
*Inventories	2,357,000	833,000
Prepaid expenses	97,000	71,000
Current Assets	$ 5,426,000	$ 5,579,000
#Fixed assets	735,000	211,000
Other assets	898,000	257,000
Total Assets	$ 7,059,000	$ 6,047,000

Liabilities

	1989	1988
Long-term debt, curr.	$ 54,000	$ 18,000
Accts. payable	551,000	329,000
Accrued payroll	263,000	241,000
Other curr. liabilities	217,000	473,000
Curr. Liabilities	$ 1,085,000	$ 1,061,000
Long-term debt	147,000	44,000
+Preferred stock	4,098,000	4,098,000
++Common stock	2,073,000	2,073,000
Add. paid-in capital	1,360,000	1,360,000
Retained earnings (deficit)	(1,154,000)	(2,039,000)
Notes receiv. - shareholders	(550,000)	(550,000)
Total Liabilities & Shareholders' Equity	$ 7,059,000	$ 6,047,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; 6% cumulative convertible.
++ No par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	13.98	11.68
% Net Income to Sales	13.68	11.68
% Net Income to Equity	16.23	14.18
Sales to Inventories	2.93	7.21
Debt to Equity	0.03	0.01
Working Capital	$ 4,341,000	$ 4,518,000
Current Ratio	5.00	5.26
Shareholders' Equity	$ 5,827,000	$ 4,942,000

Bishop Incorporated

(formerly Bishop Graphics, Inc.)

5210 Lewis Road
P.O. Box 6012
Agoura Hills, California 91376-6012
(818) 991-2600

Officers: Richard M. Drysdale, chairman of the board; John J. Theiss, president & chief executive officer; Dennis K. Tsuyuki, controller, treasurer & secretary.

Directors: Richard M. Drysdale, chairman; Kenneth J. Kay, Morton M. Kay, David J. Cohen, Ridge L. Harlan, Aaron L. Kotler.

Areas of Work: The Company is principally involved in the marketing and distribution of drafting and engineering equipment and supplies for the engineering, electronics, mechanical and architectural industries. The Company is also engaged in the manufacture and distribution of precision electronic component drafting symbols used in the creation of master artwork for printed circuit board design. In addition, the Company markets and distributes application specific engineering workstations and systems for electronic and mechanical design. The company also manufactures and distributes high quality, hot stamped foil labels for business decorative and product identification purposes.

Divisions and Subsidiaries:

Design Products Division
San Fernando, California
Manufactures precision pressure-sensitive adhesive-backed products.

Commercial Products Division
Canoga Park,Sunnyvale and Irvine, California
Operates three California-based drafting supply centers.

BGI Leasing Company
Agoura Hills, California
(818) 707-2502
Provides lease and installment sales financing to the Company's customers.

InterCad, Inc.
Santa Clara, California
Markets and distributes on a value-added basis electronic and mechanical computer-aided design (CAD) and manufacturing (CAM) workstations.

Accupress
San Fernando, California
A format printing operation catering to architects, drafters and engineers.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BISH (NASDAQ)

Number of Employees:

1989	100	1986	150
1988	100	1985	145
1987	120		

Sales & Earnings

	Net Sales †	Net Income
1989	$ 10,054,000	$ (355,000)
1988	9,829,000	(2,531,000)
1987	9,788,000	(538,000)
1986	11,776,000	(538,000)
1985	13,400,000	492,000

	No. of Com. Shares +	Earn. per Share +
1989	2,370,000	$ —
1988	2,370,000	—
1987	2,365,000	—
1986	2,339,000	—
1985	2,312,000	0.21

(Loss)
† Of continuing operations only.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 2,478,000	$ 1.05
1988	2,830,000	1.19
1987	5,350,000	2.26
1986	5,833,000	2.49
1985	6,255,000	2.71

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 10,054,000	$ 9,829,000
Lease financing	163,000	232,000
Total revenues	$ 10,217,000	$ 10,061,000
Cost of sales	5,868,000	5,819,000
Expenses	4,730,000	5,144,000
Repositioning costs	144,000	2,040,000
Interest income	(47,000)	(33,000)
Interest expense	—	12,000
Gain on sale of lease receiv.	(78,000)	(64,000)
Other income	(45,000)	—
Loss before taxes	$ (355,000)	$ (2,857,000)
Tax credit	—	(326,000)
Net Loss	$ (355,000)	$ (2,531,000)

* Included in Costs and Expenses, Depreciation and Amortization: $181,000 in 1989 and $800,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 496,000	$ 779,000
Acct. receiv., net	1,201,000	1,019,000
Lease receiv., curr.	153,000	364,000
* Inventories	1,524,000	1,389,000
Refund. inc. taxes	21,000	79,000
Prepaid expenses	113,000	113,000
Current Assets	$ 3,508,000	$ 3,743,000
# Fixed assets	415,000	424,000
Other assets	163,000	347,000
Total Assets	$ 4,086,000	$ 4,514,000

Liabilities

Accts. payable	$ 1,069,000	$ 865,000
Accruals	196,000	234,000
Non-competition agree.	—	50,000
Other accrued expenses	276,000	457,000
Curr. Liabilities	$ 1,541,000	$ 1,606,000
Security deposits	67,000	78,000
+ Common stock	237,000	237,000
Add. paid-in capital	3,935,000	3,935,000
Retained earnings (deficit)	(1,694,000)	(1,339,000)
Notes receiv. from stock sale	—	(3,000)
Total Liabilities & Shareholders' Equity	$ 4,086,000	$ 4,514,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	6.60	7.08
Working Capital	$ 1,967,000	$ 2,137,000
Current Ratio	2.28	2.33
Shareholders' Equity	$ 2,478,000	$ 2,830,000

BMC Industries, Inc.

(formerly Buckbee-Mears Company)

Two Appletree Square
Minneapolis, Minnesota 55425
(612) 851-6000
FAX: (612) 851-6050

Officers: Robert J. Carlson, chairman, president & chief exec. officer; Gerald M. Bestler, exec. v.p.; Merle D. Kerr, v.p.-finance, treasurer & chief financial officer; Kenneth W. Lewis, v.p.-human resources & administration; Michael P. Hawks, corp. controller; Peter H. Trembath, secretary & general counsel.

Directors: Robert J. Carlson, chairman; Carl B. Drake, Jr., Lyle D. Altman, Joe E. Davis, Donald J. Doughman, H.D. Elverum, Norman C. Mears, Burton N. Noah, S. Walter Richey, Charles S. Strauch, Richard A. Swalin.

Areas of Work: Manufactures and markets precision etched metal components, specialty printed circuits, electroformed parts, etched and filled glass products, and aperture masks -- etched fine screen grids that are a component part of every color cathode ray tube; also manufactures and markets ophthalmic lenses.

Divisions and Subsidiaries:

PRECISION ETCHED PRODUCTS

Buckbee-Mears St. Paul
245 East Sixth Street
St. Paul, Minnesota 55101
(612) 228-6400

Buckbee-Mears Cortland
P.O. Box 189
Kellogg Road
Cortland, New York 13045
(607) 753-9615

Buckbee-Mears Europe GmbH
7840 Muellheim-Baden
Postfach 1162, Renkenrunsstrasse, West Germany

OPTICAL PRODUCTS

Vision-Ease Lens
1800 Eller Drive
Fort Lauderdale, Florida 33316
(305) 767-6222

Transfer Agent(s):

Norwest Capital Resources
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): New York

Ticker Symbol: BMC

Number of Employees:

1989	2,109	1986	2,061
1988	2,163	1985	N.A.
1987	1,976		

Plant Footage:

1989	596,000 sq. ft.	1986	498,000
1988	564,000	1985	N.A.
1987	498,000		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income †
1989	$ 164,388,000	$ 5,439,000
1988	160,346,000	4,888,000
1987	146,853,000	4,509,000
1986	123,391,000	(5,204,000)
1985	98,781,000	(69,393,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	5,653,000	$ 0.96
1988	5,325,000	0.92
1987	5,302,000	0.85
1986	5,206,000	—
1985	5,179,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $2,620,000 ($0.51 per share) in 1985.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Precision etched prods.	$ 90,173	$ 86,917
Optical prods.	74,215	73,429
Total	$ 164,388	$ 160,346

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 17,910,000	$ 3.37
1988	13,564,000	2.57
1987	8,998,000	1.71
1986	675,000	0.13
1985	3,241,000	0.62

x Restated.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 164,388	$ 160,346
Cost of sales	137,773	132,000
Expenses	13,223	13,601
Interest expense	7,471	7,273
Other expense (income)	(699)	144
Income before taxes	$ 6,620	$ 7,328
Income taxes	1,181	2,440
Net Income	$ 5,439	$ 4,888

* Included in Costs and Expenses, Depreciation: $5,597,000 in 1989 and $4,522,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 10,935	$ 17,112
Accts. receiv., net	19,833	16,947
*Inventories	29,182	28,601
Other curr. assets	7,763	6,520
Current Assets	$ 67,713	$ 69,180
#Fixed assets	42,883	34,558
Other assets	5,066	10,042
Total Assets	$ 115,662	$ 113,780

Liabilities
(000's)

As of Dec. 31	1989	1988
Short-term borr.	$ 2,979	$ —
Long-term debt, curr.	4,968	5,872
Accts. payable	8,896	8,919
Accrued payroll	1,869	2,515
Accrued pension	1,741	1,543
Accrued interest	1,269	1,433
Income taxes pay.	684	1,057
Other accruals	6,278	5,303
Curr. Liabilities	$ 28,684	$ 26,642
Long-term debt	61,677	66,263
Other liabilities	6,052	6,194
Deferred inc. taxes	1,339	1,117
+Common stock	41,142	40,908
Retained earnings (deficit)	(25,296)	(30,735)
Cum. trans. adjust.	2,064	3,391
Total Liabilities & Shareholders' Equity	$ 115,662	$ 113,780

* At lower of average cost or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	4.03	4.57
%Net Income to Sales	3.31	3.05
%Net Income to Equity	30.37	36.04
Sales to Inventories	5.63	5.61
Debt to Equity	3.89	5.32
Working Capital	$ 39,029,000	$ 42,538,000
Current Ratio	2.36	2.60
Shareholders' Equity	$ 17,910,000	$ 13,564,000

The Boeing Company

P.O. Box 3707
7755 East Marginal Way South
Seattle, Washington 98108
(206) 655-2121
FAX: (206) 655-1177

Officers: Frank Shrontz, chairman of the board & chief executive officer; M. T. Stamper, vice chairman; H. W. Haynes, exec. v.p. & chief financial officer; E. N. Bond, staff v.p.-congressional affairs; D. P. Beighle, sr. v.p. & secretary; D. D. Thornton, exec. v.p. & president-Boeing Commercial Airplane Co.; L. D. Alford, sr. v.p.; R. B. Clos, staff v.p.-planning; O. M. Roetman, v.p.-governmental & international affairs; R. B. Brown, v.p.-product evaluation; T. J. Collins, v.p. & general counsel; D. J. Crispin, v.p.-employee benefits, insurance & taxes; D. D. Cruze, sr. v.p.-operations; B. E. Givan, sr. v.p.-finance; B. Gissing, sr. v.p.-Boeing Commercial Airplane Group; J. B. L. Pierce, vice president; B. D. Pinick, president- Boeing Defense & Space Group; O. M. Roetman, vice president; A. H. Lowell, v.p. & controller; L. C. Fisher, staff v.p.-continuous quality improvement; A. D. Welliver, sr. v.p.-engineering & technology; W. H. Albrecht, staff v.p.-government contracts; G. B. Bland, staff v.p.-trust investments & investor relations; H. E. Carr, staff v.p.-public relations & advertising; F. G. Coffey, staff v.p.-governmental affairs; D. A. Jaeger, v.p. & treasurer; John G. Lang, staff v.p.-technical computing systems; A. Gay, staff v.p.-facilities; L. G. McKean, v.p.-human resources; B. Mishel, v.p.-Washington, D.C. office; J. E. Schmick, staff v.p. & deputy dir.-Washington, D.C. office; R. M. George, staff v.p.-international business; L.W. Clarkson, sr. v.p.-Government & international affairs; R. L. Dryden, exec. v.p.-Wichita Division; M. R. Hallman, president-Boeing Computer Services Company; B. A. Cosgrove, sr. v.p.-Boeing Commercial Airplane Group; A. E. Hitsman, exec. v.p-Aerospace & Electronics; W. E. Alder, v.p. & general mgr.-Boeing Support Services; E. J. Renouard, exec. v.p.-Boeing Defense & Space Group; Bill B. May, chairman & chief exec. officer-ARGOSystems Inc.; W. D. Heidt, exec. v.p.-Boeing Canada-de Havilland Division; Kenneth P. Miles, president-ARGOSystems Inc.; R. B. Woodard, president-de Havilland Canada; R. R. Albrecht, exec. v.p.-Boeing Commercial Airplane Company; P. M. Condit, exec. v.p.-Boeing Commercial Airplane Company; J. R. Potter, exec. v.p.-Boeing Military Airplane Company; C. G. King, exec. v.p.-Boeing Defense & Space Group.

Directors: Frank Shrontz, chairman; Robert A. Beck, John B. Fery, Harold J. Haynes, Harold W. Haynes, Stanley Hiller, Jr., George M. Keller, Lee L. Morgan, Charles M. Pigott, George P. Shultz, M. T. Stamper, George H. Weyerhaeuser, T. A. Wilson.

Areas of Work: The Company is involved in three industries: Commercial Transportation Products & Services, Military Transportation Products & Related Systems and Missiles & Space. Operations in the commercial transportation segment involve development, production & marketing of commercial aircraft. Operations in Military Transportation Products and Related Systems involve research, development, production and modification of such products primarily for the U.S. government and foreign governments. Missiles & Space operations primarily involve research, development & production of various strategic and tactical missiles and space exploration products.

Divisions and Subsidiaries:

Boeing Aerospace Company
Kent, Washington

Boeing Commercial Airplane Company
Renton, Washington

Boeing Advanced Systems Company
Seattle, Washington

Boeing Military Airplane Company
Wichita, Kansas; Seattle, Washington

Boeing Helicopter Company
Philadelphia, Pennsylvania

Boeing Computer Services Company
Bellevue, Washington

Boeing Electronics Company
Seattle, Washington

de Havilland Aircraft of Canada, Ltd.
Toronto, Ontario, Canada
Manufactures commuter aircraft.

ARGOSystems, Inc.
310 North Mary Avenue
Sunnyvale, California 94086
(408) 737-2000
Designs advanced electronic systems that listen to and make sense of hostile radar and radio signals for the defense and intelligence forces of the U.S. and its allies.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York, London, Switzerland, Amsterdam, Boston*, Cincinnati*, Midwest*, Philadelphia*, Brussels*. *Unlisted trading privileges.

Ticker Symbol: BA

Number of Employees:

1989	164,500	1986	115,000
1988	154,200	1985	98,700
1987	143,700		

Plant Footage:*

1989	N. A.	1986	51.7
1988	59.0	1985	47.2
1987	56.9		

* Company-owned, leased and govt.-owned floor area; in million square feet.
N.A.-Not Available

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 20,276,000	$ 973,000
1988	16,962,000	614,000
1987	15,505,000	480,000
1986	16,444,000	665,000
1985	13,745,000	566,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	230,556,000	$ 2.94
1988	229,849,000	2.68
1987	228,409,000	2.07
1986	232,642,000	2.85
1985	232,783,000	2.50

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1989	1988
Commercial transportation prods. & rel. services	$ 14,305,000	$ 11,369,000
Military transportation prods. & rel. systems	3,962,000	3,668,000
Missiles/space & miscellaneous	1,467,000	1,457,000
Other industries	542,000	468,000
Total	$ 20,276,000	$ 16,962,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 1.16 2/3	—	3-for-2
1988	1.03 1/3	—	
1987	0.93 1/3	—	—
1986	0.80	—	—
1985	0.69 1/3	—	3-for-2

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1989	$ 6,131,000	$ 26.59
1988	5,404,000	23.51
1987	4,987,000	21.83
1986	4,826,000	20.74
1985	4,364,000	18.75

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 20,276,000	$ 16,962,000
Cost of sales & exp.	19,695,000	16,514,000
Other income	(347,000)	(378,000)
Interest & debt exp.	6,000	6,000
Income before taxes	$ 922,000	$ 820,000
Income taxes	247,000	206,000
Cum. effect of acct. change	(298,000)	—
Net Income	$ 973,000	$ 614,000

* Included in Costs and Expenses, Depreciation and Amortization: $627,000,000 in 1989 and $567,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cert. of deposit	$ 1,208,000	$ 3,544,000
Short-term investments	655,000	419,000
Accts. receiv., net	1,809,000	1,559,000
Long-term customer financing, curr.	46,000	92,000
Inventories	4,942,000	2,947,000
Current Assets	$ 8,660,000	$ 8,561,000
Long-term customer financing	822,000	1,039,000
#Fixed assets	3,481,000	2,703,000
Investments & other assets	315,000	305,000
Total Assets	$ 13,278,000	$ 12,608,000

Liabilities
(000's)

Long-term debt, curr.	$ 5,000	$ 7,000
Accts. payable & accruals	4,932,000	4,697,000
Advs. & prog. billings in exc. of costs	1,445,000	1,304,000
Income taxes	291,000	697,000
Curr. Liabilities	$ 6,673,000	$ 6,705,000
Long-term debt	275,000	251,000
Deferred invest. credit	25,000	43,000
Deferred inc. taxes	174,000	205,000
+Common stock	1,736,000	1,341,000
Retained earnings	4,452,000	4,137,000
Treasury stock	(57,000)	(74,000)
Total Liabilities & Shareholders' Equity	$ 13,278,000	$ 12,608,000

# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.55	4.83
%Net Income to Sales	4.80	3.62
%Net Income to Equity	15.87	11.36
Sales to Inventories	4.10	5.76
Debt to Equity	0.05	0.05
Working Capital	$ 1,987,000,000	$ 1,856,000,000
Current Ratio	1.30	1.28
Shareholders' Equity	$ 6,131,000,000	$ 5,404,000,000

Bolt Beranek and Newman Inc.

10 Fawcett Street
Cambridge, Massachusetts 02238
(617) 873-2000
FAX: (617) 491-1496

Officers: Stephen R. Levy, chairman & chief executive officer; John M. Albertine, vice chairman; Michael P. LaVigna, president & chief operating officer; Michael Nacey, v.p.-administration; Bruce D. Glabe, sr. v.p. & chief financial officer; Ralph Goldwasser, v.p. & controller; W.B. Barker, sr. v.p.; John Montjoy, v.p. & general counsel; Daniel Sullivan, v.p..

Directors: Stephen R. Levy, chairman; Roger D. Wellington, Andrew L. Nichols, Michael P. LaVigna, Howard Swearer, John M. Albertine, Samuel Labate.

Areas of Work: Through its wholly owned subsidiaries, the Company designs, manufactures, sells,and supports computer products and systems including integrated wide-area communications networks, packaged data analysis software, and high-performance computers; and offers consulting, research, development, and systems-building services in computer and information sciences, and physical sciences.

Subsidiaries:

BBN Systems and Technologies Corporation
10 Moulton Street
Cambridge, Massachusetts 02138
(617) 873-3000

BBN Communications Corporation
150 Cambridge Park Drive
Cambridge, Massachusetts 02140
(617) 873-4000

BBN Software Products Corporation
10 Fawcett Street
Cambridge, Massachusetts 02138
(617) 873-5000

BBN Advanced Computers Inc
10 Fawcett Street
Cambridge, Massachusetts 02138
(617) 873-6000

BBN Manufacturing Corporation
1100 Technology Park Drive
Billerica, Massachusetts 01821
(617) 671-1000

Develops, manufactures and maintains low-cost, high-performance, computer-image generation systems for simulation, mission management, and animation.

Network Switching Systems, Inc.
Develops high-speed switching products.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: BBN

Number of Employees:

1989	2,820	1986	2,113
1988	3,140	1985	1,796
1987	2,641		

Plant Footage:

1989	1,006,800 sq.ft.	1988	1,006,800

Sales & Earnings

	Revenues	Net Income
1989	$ 291,570,000	$ (25,125,000)
1988	305,191,000	18,147,000
1987	233,841,000	(8,029,000)
1986	178,049,000	11,332,000
1985	138,220,000	8,451,000

	No. of Com. Shares +	Earn. per Share +
1989	18,368,019	$ —
1988	18,883,391	0.96
1987	17,438,436	—
1986	17,392,244	0.65
1985	16,671,428	0.51

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1989	1988
Computer & communications syst.	$ 235,172,000	$ 250,867,000
Research, develop. & consulting	56,398,000	54,324,000
Total	$ 291,570,000	$ 305,191,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.060	—	—
1988	0.060	—	
1987	0.055	—	2-for-1
1986	0.050	—	—
1985	0.050	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 77,590,000	$ 4.22
1988	111,554,000	5.91
1987	85,581,000	4.91
1986	78,849,000	4.53
1985	62,446,000	3.75

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Revenues	$ 291,570,000	$ 305,191,000
Cost of revenues	222,629,000	185,967,000
Res. & develop. exp.	24,635,000	14,596,000
Sell., gen. & adm. exp.	85,636,000	75,874,000
Restruc. charge	5,136,000	—
Interest expense	5,763,000	5,929,000
Interest income	(5,335,000)	(5,032,000)
Other expense	864,000	361,000
Income (loss) bef. taxes	$ (47,758,000)	$ 27,496,000
Income taxes (credit)	(16,238,000)	9,349,000
Cum. effect of acct. change	(6,395)	—
Net Income (Loss)	$ (25,125,000)	$ 18,147,000

* Included in Costs and Expenses, Depreciation: $24,808,000 in 1989 and $16,851,000 in 1988.

Assets

As of June 30	1989	1988
Cash & temp. invest.	$ 56,541,000	$ 90,128,000
Accts. receiv., net	65,354,000	70,842,000
*Inventories	18,662,000	22,494,000
Refund. inc. taxes	7,749,000	482,000
Deferred inc. taxes	3,666,000	—
Other curr. assets	7,769,000	5,817,000
Current Assets	$ 159,741,000	$ 189,763,000
#Fixed assets	60,339,000	59,691,000
Purch. software tech.	6,918,000	8,326,000
Cap. software develop. costs	1,679,000	3,528,000
Other assets	2,629,000	2,714,000
Total Assets	$ 231,306,000	$ 264,022,000

Liabilities

	1989	1988
Accts. payable	$ 10,400,000	$ 6,444,000
Oblig. under cap. leases	1,598,000	1,914,000
Accrued salaries	6,722,000	9,966,000
Accrued restruc. charge	5,136,000	—
Accrued contract costs	19,326,000	—
Other accruals	13,475,000	10,217,000
Deferred revenues	8,923,000	9,557,000
Deferred taxes	—	21,325,000
Curr. Liabilities	$ 65,580,000	$ 59,423,000
Convert. subord. deben.	84,700,000	84,700,000
Cap. lease oblig.	1,246,000	2,752,000
Deferred inc. taxes	2,190,000	5,593,000
+Common stock	19,331,000	18,870,000
Add. paid-in capital	47,349,000	41,219,000
Retained earnings	25,253,000	51,465,000
Treasury stock	(14,343,000)	—
Total Liabilities & Shareholders' Equity	$ 231,306,000	$ 264,022,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	—	9.01
%Net Income to Sales	—	5.95
%Net Income to Equity	—	16.27
Debt to Equity	0.19	0.04
Working Capital	$ 94,161,000	$ 130,340,000
Current Ratio	2.44	3.19
Shareholders' Equity	$ 77,590,000	$ 111,554,000

Boonton Electronics Corporation

791 Route 10
Randolph, New Jersey 07869
(201) 584-1077
FAX: (201) 584-3037

Officers: Joseph G. Gillespie, president; G. Raymond Polen, v.p.-engineering; John E. Titterton, secretary, treasurer & v.p.-finance.

Directors: Jack Frucht, Ronald DeBlis, Joseph G. Gillespie, John M. Young, Otto H. York, Saul K. Fenster.

Areas of Work: Designs and manufactures electronic measuring instruments for use in the laboratory and on production lines of manufactureres of electronic components and equipment. These instruments include RF voltmeters, microwave power meters, signal generators, modulation meters, admittance bridges, and capacitance and inductance meters and bridges.

Subsidiaries:

Boonton Domestic International Sales Corporation (DISC)
Randolph, New Jersey

Integra, Inc.
Milpitas, California
Manufactures products for the microwave sweep generator and scalar network analyzer markets.

Transfer Agent(s):

First Fidelity Bank, N.A., New Jersey
765 Broad Street
Newark, New Jersey 07101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOON (NASDAQ)

Plant Footage

1989	44,400 sq. ft.	1986	44,400
1988	44,400	1985	44,400
1987	44,400		

Sales & Earnings

	Net Sales ‡	Net Income #
1989	$ 11,378,867	$ 55,126
1988	13,530,002	831,665
1987	12,609,802	618,893
1986	9,910,254	281,750
1885	10,182,620	296,740

	No. of Com. Shares +	Earn. per Share # +
1989	1,353,127	$ 0.04
1988	1,436,993	0.58
1987	1,480,297	0.42
1986	1,479,485	0.19
1985	1,388,831	0.21

‡ Includes other income.
# Including extraordinary gain of $85,236 ($0.06 per share) in 1985.
+ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 7,835,227	$ 5.79
1988	8,510,485	5.92
1987	7,912,752	5.35
1986	7,279,509	4.92
1985	6,997,759	5.04

Based on the average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 11,378,867	$ 13,530,002
Cost of sales	5,620,682	6,842,285
Expenses	5,284,539	4,891,454
Oper. profit	$ 473,646	$ 1,796,263
Unusual item	—	317,969
Interest expense	325,663	128,674
Other expense	92,857	67,582
Income before taxes	$ 55,126	$ 1,282,038
Income taxes	—	450,373
Net Income	$ 55,126	$ 831,665

* Included in Costs and Expenses, Depreciation and Amortization: $491,250 in 1989 and $432,747 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 112,539	$ 39,297
Short-term invest.	—	100,000
Accts. receiv., net	2,559,498	2,540,122
*Inventories	7,783,573	5,154,167
Prepaid expenses	341,826	114,411
Current Assets	$ 10,797,436	$ 7,947,997
#Fixed assets	2,845,702	2,943,663
Other assets	471,691	249,761
Total Assets	$ 14,114,829	$ 11,141,421

Liabilities

	1989	1988
Bank loans	$ 3,727,000	$ —
Long-term debt, curr.	200,000	200,000
Accts. payable	942,480	507,976
Accruals	490,496	817,906
Current Liabilities	$ 5,359,976	$ 1,525,882
Long-term debt	703,315	903,315
Deferred inc. taxes	216,311	201,739
+Common stock	149,209	148,809
Add. paid-in capital	4,359,556	4,342,481
Retained earnings	4,329,191	4,274,065
Treasury stock	(1,002,729)	(254,870)
Total Liabilities & Shareholders' Equity	$ 14,114,829	$ 11,141,421

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	0.48	9.48
% Net Income to Sales	0.48	6.15
% Net Income to Equity	0.70	9.77
Sales to Inventories	1.46	2.63
Debt to Equity	0.59	0.13
Working Capital	$ 5,437,460	$ 6,422,115
Current Ratio	2.01	5.21
Shareholders Equity	$ 7,835,227	$ 8,510,485

Boston Digital Corporation

Granite Park
Milford, Massachusetts 01757
(508) 473-4561
FAX: (508) 478-7224

Officers: Ara Aykanian, president; Thomas D. Linn, executive v.p. & treasurer; Joseph F. Banafato, v.p. & chief financial officer; Colin J. Stearman, v.p.-systems engineering; E. John Crouch, v.p.-sales; John A. Wake, v.p.-operations; Gail F. Sullivan, clerk.

Directors: Ara Aykanian, Thomas D. Linn, Stanley Leven, David J. Logan, Simon Queen, Howard A. Greis, Vijay Tipnis.

Areas of Work: Develops, manufactures and markets computer numerically controlled precision machining systems and software.

Subsidiaries:

BostoMatic GmbH
West Germany

BostoMatic U.K., Ltd.
England

BostoMatic Foreign Sales Corporation (FSC)
U.S. Virgin Islands

Boston Digital Investment Corporation

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOST (NASDAQ)

Number of Employees:

1989	190	1987	152
1988	160	1986	136

Plant Footage:

1989	80,000 sq. ft.	1986	80,000
1988	80,000	1985	80,000
1987	80,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 17,733,000	$ (111,000)
1988	16,446,000	64,000
1987	12,482,000	(483,000)
1986	13,558,000	(614,000)
1985	15,773,000	343,000

	No. of Com. Shares #	Earn per Share #
1989	2,631,270	$ —
1988	2,673,839	0.02
1987	2,631,270	—
1986	2,631,270	—
1985	2,736,679	0.13

(Loss)
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 12,338,057	$ 4.69
1988	12,449,000	4.66
1987	12,385,000	4.71
1986	12,868,000	4.89
1985	13,482,475	4.93

# Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1989	1988
Net sales	$ 17,732,979	$ 16,445,552
Cost of sales	13,136,556	11,813,441
Expenses	4,898,758	4,198,284
Oper. income (loss)	$ (302,335)	$ 433,827
Interest expense	195,720	351,436
Interest income	(380,526)	(48,560)
Eq. in loss (inc.) of affil. co.	4,097	(8,697)
Inc. (loss) bef. taxes	$ (121,626)	$ 139,648
Income taxes (credit)	(11,000)	76,000
Net Income (Loss)	$ (110,626)	$ 63,648

* Included in Costs and Expenses, Depreciation and Amortization: $406,824 in 1989 and $437,106 in 1988.

Assets

As of April 30	1989	1988
Cash & cash equiv.	$ 1,991,011	$ 3,271,635
Market. securities	379,500	1,788,000
Income taxes refundable	80,600	—
Accts. receiv., net	3,040,783	2,638,231
*Inventories	6,102,967	5,505,176
Prepaid expenses	61,050	93,241
Deferred inc. taxes	266,900	296,900
Current Assets	$ 11,922,811	$ 13,593,183
#Fixed assets	3,442,104	3,392,742
Other assets	297,531	288,595
Total Assets	$ 15,662,446	$ 17,274,520

Liabilities

Long-term debt, curr.	$ 172,500	$ 152,500
Accts. payable	1,105,076	554,579
Accrued payroll	305,213	298,039
Customer deposits	245,814	—
Other accruals	274,386	290,820
Income taxes pay.	—	57,999
Accrued warranty exp.	240,000	240,000
Curr. Liabilities	$ 2,342,989	$ 1,593,937
Long-term debt	647,500	2,820,000
Deferred inc. taxes	333,900	411,900
+Common stock	263,127	263,127
Add. paid-in capital	4,368,079	4,368,079
Retained earnings	7,706,851	7,817,477
Total Liabilities & Shareholders' Equity	$ 15,662,446	$ 17,274,520

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.85
%Net Income to Sales	—	0.39
%Net Income to Equity	—	0.51
Sales to Inventories	2.91	2.99
Debt to Equity	0.07	0.24
Working Capital	$ 9,579,822	$ 11,999,246
Current Ratio	5.09	8.53
Shareholders' Equity	$ 12,338,057	$ 12,448,683

Bowmar Instrument Corporation

5080 North 40th Street
Suite 175
Phoenix, Arizona 85018
(602) 957-0271
FAX: (602) 381-1314

Officers: Edward A. White, chairman & chief exec. officer; Thomas K. Lanin, chief financial officer, v.p.-finance, secretary & treasurer.

Directors: Edward A. White*, chairman; James C. Marlas*, Thomas K. Lanin, Fred N. Gerard*, Dan L. McGurk, Gardiner S. Dutton, James W. Myers.

* Member of the Executive Committee

Areas of Work: Manufactures data communications products, including multifunction generators and data acquisition equipment. Also manufactures electronic communications test equipment, electromechanical digital displays, keyboards and thermal printers for use in industrial instrumentation applications, and electromechanical components and packages, including rotating devices (gearheads, motors and motor generators), synchros, mechanical counters, resolvers, dial drives, mechanical packages, ordnance devices and built-to-print military subcontracts.

Divisions:

Bowmar Aerospace Division

Bowmar Data Entry Division
4640 126th Avenue, North
Clearwater, Florida 34622
(813) 573-2525

Bowmar Telecommunications Division
531 Main Street
Acton, Massachusetts 01720
(508) 263-8365

Subsidiaries:

Bowmar/ALI, Inc.
531 Main Street
Acton, Massachusetts 01720
(508) 263-8365

Bowmar Instrument Limited
43-45 High Street
Weybridge, Surrey KT13 8BB England
(932) 51341

White Technology, Inc.
4246 East Wood Street
Phoenix, Arizona 85040
(602) 437-1520
Manufactures custom and proprietary hybrid-integrated circuits.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: BOM

Number of Employees:

1989	648	1986	1,170
1988	584	1985	888
1987	624		

Plant Footage:

1989	218,900 sq. ft.	1986	279,000
1988	191,000	1985	220,000
1987	219,000		

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 42,140,000	$ (2,981,000)
1988	39,692,000	(1,278,000)
1987	39,461,000	(2,817,000)
1986	41,516,000	982,000
1985	41,887,000	2,153,000

	No. of Com. Shares #	Earn. per Shares †#
1989	6,065,672	$ —
1988	6,049,683	—
1987	6,045,763	—
1986	6,052,339	0.16
1985	6,049,793	0.36

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $37,000 (0.01 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Bowmar Instrument Corporation

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Electronics	$ 22,146	53 %	$ 21,844	55 %
Electromechanical	19,994	47	17,848	45
Total	$ 42,140	100 %	$ 39,692	100 %

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 1,626,000	$ 0.27
1988	4,623,000	0.76
1987	5,783,000	0.96
1986	10,130,000	1.67
1985	8,470,000	1.40

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 42,140	$ 39,692
Cost of sales	32,664	30,585
Expenses	9,220	7,742
Prod. develop.	1,136	853
Interest expense	1,822	1,703
Other expense (income)	203	(300)
Loss before taxes	$ (2,905)	$ (891)
Income taxes (credit)	76	(7)
Loss-cont. oper.	$ (2,981)	$ (884)
Loss-discont. oper.	—	(394)
Net Loss	$ (2,981)	$ (1,278)

* Included in Costs and Expenses, Depreciation and Amortization: $1,456,000 in 1988 and $1,360,000 in 1987.

Assets
(000's)

As of Sept. 30	1989	1988
Cash	$ 280	$ 248
Receiv., net	6,964	7,199
*Inventories	9,668	9,662
Prepaid expenses	135	145
Current Assets	$ 17,047	$ 17,254
#Fixed assets	4,815	5,185
Other assets	1,057	974
Total Assets	$ 22,919	$ 23,413

Liabilities
(000's)

	1989	1988
Notes payable	$ 5,654	$ 3,111
Long-term debt, curr.	564	700
Accts. payable	3,910	2,407
Accruals	2,933	3,333
Curr. Liabilities	$ 13,061	$ 9,551
Long-term debt	8,232	9,239
+Common stock	610	605
Add. paid-in capital	2,843	2,836
Retained earnings (deficit)	(1,797)	1,184
Foreign currency adjustments	(30)	(2)
Total Liabilities & Shareholders' Equity	$ 22,919	$ 23,413

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 stated value.

Statistical Summary

Sales to Inventories	4.36	4.11
Debt to Equity	8.89	2.82
Working Capital	$ 3,986,000	$ 7,703,000
Current Ratio	1.31	1.81
Shareholders' Equity	$ 1,626,000	$ 4,623,000

Brunswick Corporation

One Brunswick Plaza
Skokie, Illinois 60077
(708) 470-4700
FAX: (708) 470-4765

Officers: Jack F. Reichert, chairman, president & chief exec. officer; William R. McManaman, v.p.-finance; John M. Charvat, exec. v.p.; Jack S. Singleton, vice president; Frederick J. Florjancic, Jr., v.p.; Thomas W. Erwin, controller; Robert T. McNaney, general counsel; Dianne M. Yaconetti, v.p.-administration & corp. secretary; Richard S. O'Brien, treasurer; Michael D. Schmitz, asst. secretary; Judith P. Zelisko, asst. v.p.; Roy T. Montgomery, asst. general counsel.

Directors: Jack F. Reichert, chairman; Leo Herzel, John P. Diesel, George D. Kennedy, Bernd K. Koken, Jay W. Lorsch, Donald E. Guinn, Robert N. Rasmus, Pierre A. Rinfret, Eugene F. Tighe, Jr..

Areas of Work: The Company's operations involve three industry segments: Marine, Recreation and Technical.

Divisions:

Technical

Defense Division
Skokie, Illinois
Products and services include radomes, motor cases and pressure vessels, portable shelter systems, camouflage, fire detection systems, chemical warfare agent detectors' alarms, honeycomb metal bonded structures, launch and weapon systems, tactical aircraft decoy systems, protective gloves, composite components for helicopters and fixed-wing aircraft.

Technetics Division
Deland, Florida
Products and services include jet engine seals and other high technology metal fiber products, metal injection molding systems, specialty materials and parts manufacture, shutoff, gate, check and relief valves, and other tubular products.

Industrial Products Division
Houston, Texas
Door-opening systems, fare collection devices, climate control systems, air conditioning and heating systems, electromechanical relays, electronic speed indicating control and recording systems, steam generators, electric boilers, ball, gate, globe, plug, check, safety and relief valves, chemical injector pumps, liquid inventory management systems, process control products, tank gauging and fittings, and linear and rotary actuators.

Marine

Marine Power Division
Fond du Lac, Wisconsin
Mercury, mariner and force outboard motors; MerCruser stern drives and inboard engines for pleasure boating applications; U.S. Marine Power gas and diesel inboard engines and L-Drive engines; Quicksilver marine parts and accessories.

U.S. Marine Division
Arlington, Washington
Bayliner fiberglass pleasure boats from 15 to 45 feet in length. Arriva luxury pleasure boats, 17 to 21 feet; Blue Fin aluminium boats from 13 to 19 feet; Maxum upscale luxury fiberglass boats from 17 to 20 feet; and Escort boat trailers.

Sea Ray Division
Knoxville, Tennessee
Sea Ray stern drive and diesel inboard powered fiberglass pleasure boats from 16 to 50 feet in length.

Fishing Boats
Topeka, Indiana
Aluminum and fiberglas fishing boats from 12 to 23 feet.

Recreation

Zebco Division
Tulsa, Oklahoma
Fishing reels, rods, reel-rod combinations, electric trolling motors and sportfishing accessories.

Brunswick Division
Muskegon, Michigan
Bowling lanes, automatic pinsetters, computerized scoring equipment and business systems, ball returns, seating and locker units, bowling pins, balls, bags and shoes, billiard tables, and golf club shafts.

Brunswick Recreation Centers Division
Skokie, Illinois
Operates company-owned bowling centers and provides management services for independent bowling center proprietors.

Transfer Agent(s):

Brunswick Corporation
Skokie, Illinois

Stock Exchange(s): New York, Midwest, Pacific, London and Tokyo

Ticker Symbol: BC

Number of Employees:

1989	25,700	1986	26,800
1988	28,[illegible]00	1985	18,700
1987	28,400		

Sales & Earnings

	Net Sales	Net Income
1989	$ 2,826,100,000	$ (71,300,000)
1988	3,282,000,000	193,100,000
1987	3,086,400,000	168,800,000
1986	1,717,400,000	110,300,000
1985	1,538,500,000	100,300,000

	No. of Com. Shares †	Earn. per Share ‡
1989	87,900,000	$ —
1988	86,600,000	2.20
1987	89,200,000	1.90
1986	88,500,000	1.32
1985	84,000,000	1.17

(Loss)
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1989	1988
Marine	$ 2,000,700	$ 2,449,000
Recreation	392,200	368,900
Technical	433,200	464,100
Total	$ 2,826,100	$ 3,282,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.440	—	—
1988	0.420	—	
1987	0.315	—	2-for-1
1986	0.285	—	—
1985	0.2575	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 776,100,000	$ 8.83
1988	949,800,000	10.97
1987	848,900,000	9.52
1986	690,800,000	7.80
1985	523,200,000	6.23

‡ Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 2,826,100	$ 3,282,000
Cost of sales	2,209,800	2,418,300
Expenses	540,300	539,400
Restruc. charge	100,000	16,500
Interest expense	56,700	40,500
Interest income	(3,300)	(7,200)
Gain on disposition	—	(42,000)
Inc. (loss) bef. taxes	$ (77,400)	$ 316,500
Income taxes (credit)	(6,100)	123,400
Net Income (Loss)	$ (71,300)	$ 193,100

* Included in Costs and Expenses, Depreciation and Amortization: $159,800,000 in 1989 and $147,900,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 21,700	$ 31,600
Accts. & notes receiv., net	184,000	188,700
*Inventories	404,600	462,300
Prepaid inc. taxes	144,900	82,600
Prepaid expenses	24,100	25,400
Current Assets	$ 779,300	$ 790,600
#Fixed assets	637,300	630,500
Other assets	568,200	674,700
Total Assets	$ 1,984,800	$ 2,095,800

Liabilities
(000's)

	1989	1988
Short-term debt & long-term debt, curr.	$ 10,800	$ 7,400
Accts. payable	167,100	202,700
Accruals	375,700	331,700
Income taxes	9,500	15,900
Curr. Liabilities	$ 563,100	$ 557,700
Long-term debt	462,200	413,300
Deferred pensions	23,400	18,800
Deferred income	14,700	28,200
Deferred inc. taxes	145,300	128,000
+Common stock	70,600	70,600
Add. paid-in capital	167,400	140,500
Unearned portion of restricted stock	(8,800)	(9,900)
Retained earnings	755,500	865,900
Cum. trans. adjust.	8,700	9,600
Treasury stock	(121,200)	(126,900)
Unamort. ESOP exp.	(96,100)	—
Total Liabilities & Shareholders' Equity	$ 1,984,800	$ 2,095,800

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $0.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.64
%Net Income to Sales	—	5.88
%Net Income to Equity	—	20.33
Sales to Inventories	6.98	7.10
Debt to Equity	0.61	0.44
Working Capital	$ 216,200,000	$ 232,900,000
Current Ratio	1.38	1.42
Shareholders' Equity	$ 776,100,000	$ 949,800,000

Buck Engineering Co., Inc.

(A private Company)

P.O. Box 686
Farmingdale, New Jersey 07727
(201) 938-2000

Officers: Peter M. Schluter, president & chief executive officer; Charles H. Bond, v.p., secretary & treasurer; Shirley L. Barrett, asst. secretary.

Directors: Raymond A. Bowers, David T. Buck, Garrett B. Hunter, E. A. Savinelli, Charles H. Bond, Kenneth D. Roberts, James R. Greene, Peter M. Schluter.

Areas of Work: Primarily manufactures and markets educational equipment and knowledge tranfer systems used in teaching industrial training facilities and vocational, technical and multi-level schools and colleges. Also designs, manufactures and markets engine analysis equipment for the transportation and related energy industries.

Divisions and Subsidiaries:

Lab-Volt Systems
P.O. Box 686
Farmingdale, New Jersey 07727
(201) 938-2000

Lab-Volt Limited
4555 Metropolitaine
Suite 102
Montreal, Quebec H1R 1Z4, Canada
(514) 725-9552

Lab-Volt (Quebec) Limited
2120 Lavoisier Street
Ste. Foy, Quebec G1N 4B1 Canada
(418) 681-6346

Graymark International, Inc.
Santa Ana, California

Technical Systems, Inc.
Minneapolis, Minnesota

Quintech Division
Belleville, Ontario, Canada

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUCK (NASDAQ)

Number of Employees:

1988	322
1987	336
1986	334
1985	378
1984	340

Sales & Earnings

	Net Sales +	Net Income	No. of Com. Shares #	Earn. per Share #
1988	$ 26,068,000	$ (991,417)	506,750	$ —
1987	22,810,000	24,744	488,664	0.05
1986	23,485,000	232,066	499,151	0.46
1985	22,946,000	883,636	496,023	1.78
1984	18,435,000	844,425	519,411	1.63

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 5,990,233	$ 11.80
1987	6,805,932	13.45
1986	6,531,574	13.49
1985	6,275,855	12.97
1984	5,485,798	11.33

Income Account*

Year ended Dec. 31	1988	1987
Net sales	$ 26,068,264	$ 22,810,689
Cost of sales	17,735,073	13,767,214
Expenses	9,346,372	8,561,272
Interest expense	814,748	399,435
Amortization of goodwill	7,240	11,883
For. curr. trans.	(384,450)	103,010
Interest income	—	(12,290)
Other expense (income)	6,491	(1,821)
Loss before taxes	$ (1,457,210)	$ (18,014)
Tax credit	(590,000)	(10,000)
Loss - cont. oper.	$ (867,210)	$ (8,014)
Inc. (loss) - discont. oper.	(124,207)	32,758
Net Income (Loss)	$ (991,417)	$ 24,744

* Included in Costs and Expenses, Depreciation and Amortization: $282,033 in 1988 and $274,172 in 1987.

Assets

As of Dec. 31	1988	1987
Cash & invest.	$ 245,788	$ 299,719
Accts. receiv., net	10,399,801	7,435,160
*Inventories	7,944,553	6,735,986
Prepaid expenses	171,080	90,278
Refund. inc. taxes	347,474	—
Current Assets	$ 19,108,696	$ 14,561,143
#Fixed assets	1,862,486	1,916,992
Value of life insur.	432,552	419,504
Land held for invest.	346,074	343,784
Goodwill	195,480	249,600
Other assets	13,163	56,086
Total Assets	$ 21,958,451	$ 17,547,109

Liabilities

	1988	1987
Short-term borrowing	$ 4,207,300	$ 3,300,000
Long-term debt, curr.	327,528	160,166
Accts. payable & accruals	5,713,106	4,592,438
Accrued inc. taxes	127,208	208,596
Curr. Liabilities	$ 10,375,142	$ 8,261,200

Long-term debt	5,410,025	2,220,464
Deferred inc. taxes	183,051	259,513
+Common stock	607,790	606,040
Add. paid-in capital	567,303	555,055
Retained earnings	5,742,034	6,733,451
Foreign curr. trans.	54,164	(107,556)
Treasury stock	(981,058)	(981,058)
Total Liabilities & Shareholders' Equity	$ 21,958,451	$ 17,547,109

* At lower of cost (principally LIFO) or market. Canadian subsidiaries at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	0.36
Sales to Inventories	3.28	3.39
Debt to Equity	1.66	0.83
Working Capital	$ 8,733,554	$ 6,299,943
Current Ratio	1.84	1.76
Shareholders' Equity	$ 5,990,233	$ 6,805,932

Bulova Corporation

(formerly Bulova Watch Company, Inc., 97% owned by Loews Corporation)

One Bulova Avenue
Woodside, New York 11377-7874
(718) 204-3300
FAX: (718) 204-3546

Officers: Harry B. Henshel, chairman of the board, Herbert C. Hofmann, president & chief executive officer; Lawrence F. Codraro, v.p., secretary & general counsel; James S. Waterwash, v.p. & pres.-Bulova Systems and Instruments Corporation; Paul S. Sayegh, executive v.p.; Thomas P. Hickerson, v.p. & controller.

Directors: Harry B. Henshel, chairman; Herbert C. Hofmann, Andrew H. Tisch, Laurence A. Tisch, Preston R. Tisch.

Areas of Work: Manufactures and sells, throughout the world, watches and clocks for consumer use, and sells power cells and watch parts to the trade. Also sells nonconsumer products for defense and industrial use, including timing and similar devices.

Divisions:

Consumer Products-Domestic
Technical Sales & Services
Consumer Products-International

Industrial/Defense Divisions:
Systems and Instruments
Providence Division

Subsidiaries:

Bulova Watch Company Limited
Bulova Technologies, Inc.

Acquisition:

Hamilton Technology, Inc.
Manufactures mechanical and electronic time fuzes and other precision electro-mechanical devices for industry and national defense.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	900	1986	N.A.
1988	1,400	1985	1,650
1987	1,450		

N.A. - Not Available.

Plant Footage:

1989	240,800 sq. ft.	1987	302,800
1988	302,800		

Sales & Earnings

	Net Sales	Net Income †
1989	$ 173,732,000	$ (4,220,000)
1988	153,913,000	1,098,000
1987	155,356,000	8,557,000
1986	173,914,000	15,572,000
1985	147,819,000	16,649,000

	No. of Com Shares ‡	Earn. per Share † ‡
1989	4,599,000	$ —
1988	4,599,000	0.24
1987	4,599,000	1.86
1986	4,599,000	3.39
1985	4,599,000	4.27

(Loss)
† Including extraordinary gains of $525,000 ($0.11 per share) in 1989, $1,038,000 ($0.23 per share) in 1988, $491,000 ($0.11 per share) in 1987, $4,017,000 ($0.88 per share) in 1986 and $1,756,000 ($0.38 per share) in 1985.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Consumer	$ 106,871,000	$ 105,309,000
Industrial & defense	66,143,000	47,882,000
Corporate	718,000	722,000
Total	$ 173,732,000	$ 153,913,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 77,888,000	$ 16.94
1988	81,630,000	17.75
1987	79,410,000	17.27
1986	70,293,000	15.28
1985	52,550,000	11.43

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 173,732	$ 153,913
Cost of sales	123,804	106,927
Expenses	47,599	41,652
Interest expense	620	1,115
Interest to affiliates	1,965	558
Gain from asset disposition	(457)	(865)
Inc. bef. taxes	$ 201	$ 4,526
Income taxes	4,946	4,466
Net Income (Loss)	$ (4,745)	$ 60
Extraord. gain	525	1,038
Net Income (Loss) & extraord. gain	$ (4,220)	$ 1,098

* Included in Costs and Expenses, Depreciation and Amortization: $2,848,000 in 1989 and $1,689,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 5,593	$ 4,912
Receivables, net	64,127	57,463
*Inventories	55,264	38,632
Prepaid expenses	1,544	1,031
Current Assets	$ 126,528	$ 102,038
#Fixed assets	36,590	22,027
Other assets	5,950	4,886
Total Assets	$ 169,068	$ 128,951

Liabilities
(000's)

Notes payable	$ 649	$ 899
Long-term debt, curr.	3,320	1,401
Accts. payable	9,412	5,719
Accrued payroll	5,766	3,540
Accrued pension	2,932	1,743
Other accruals	11,377	7,272
Income taxes	3,158	748
Curr. Liabilities	$ 36,614	$ 21,322
Long-term debt:		
Indust. develop. rev. bonds	3,944	—
6% conv. subord. deb.	—	2,277
Oblig. under cap. lease	3,327	2,600
Other liabilities	10,295	11,122
Debt to affiliate	37,000	10,000
+Common stock	22,999	22,998
Add. paid-in capital	23,053	23,046
Retained earnings	30,119	34,339
Cum. trans. adjust.	1,722	1,252
Treasury stock	(5)	(5)
Total Liabilities & Shareholders' Equity	$ 169,068	$ 128,951

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.12	4.39
%Net Income to Sales	—	0.06
%Net Income to Equity	—	0.07
Sales to Inventories	3.14	2.67
Debt to Equity	0.14	0.09
Working Capital	$ 89,914,000	$ 80,716,000
Current Ratio	3.46	4.79
Shareholders' Equity	$ 77,888,000	$ 81,630,000

Bunting, Inc.

46 Beatrice Street
P.O. Box 4114
Bridgeport, Connecticut 06607
(203) 384-0081
FAX: (203) 335-3003

Officers: James T. Ragan, president; Richard E. Bunting, v.p. & gen. mgr.; John D. Larounis, v.p.-marketing & sales; F. J. Angelone, chief financial officer & treasurer; Robert Larkin, v.p.-manufacturing; Reid Larson, pres.-Midwest; Gladys Brownrigg, asst. treasurer; Dorothy DeFerrari, secretary.

Directors: John J. Brennan, Peter Anzenberger, Marvin S. Robinson.

Areas of Work: Engaged in the assembling and marketing, through distributors and direct sales personnel, of various audio, visual and electronic communications systems and television viewing systems for use in hospitals, hotels and motels. A subsidiary, Midwest International, Inc., assembles and places coin-operated television chairs in mass transportation terminals.

Subsidiary:

Midwest International, Inc.
650 Wilmington Avenue
Salt Lake City, Utah 84106

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	51	1986	145
1988	54	1985	131
1987	115		

Sales & Earnings

	Net Sales	Net Income
1989	$ 4,146,000	$ (611,000)
1988	5,606,000	(1,524,000)
1987	5,989,000	(930,000)
1986	6,917,000	(958,156)
1985	8,794,197	432,010

	No. of Com. Shares †	Earn. per Share †
1989	2,158,278	$ —
1988	2,154,528	—
1987	2,154,427	—
1986	2,137,178	—
1985	2,133,651	0.20

(Loss)
† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	10%	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 417,000	$ 0.19
1988	1,028,000	0.48
1987	2,543,000	1.18
1986	3,455,166	1.62
1985	4,411,321	2.07

† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Income Account*

Year ended Dec. 31	1989	1988
Net sales	$ 4,146,000	$ 5,606,000
Other income	1,665,000	1,882,000
Total income	$ 5,811,000	$ 7,488,000
Cost of sales	4,201,000	5,921,000
Expenses	1,888,000	2,803,000
Interest expense	316,000	271,000
Loss bef. taxes	$ (594,000)	$ (1,507,000)
Income taxes	17,000	17,000
Net Loss	$ (611,000)	$ (1,524,000)

* Included in Cost and Expenses, Depreciation and Amortization: $185,000 in 1989 and $404,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 16,000	$ 19,000
Accts. receiv., net	889,000	2,081,000
*Inventories	1,247,000	1,524,000
Prepaid expenses	126,000	79,000
Current Assets	$ 2,278,000	$ 3,703,000
Installment accts. receiv.	7,000	13,000
#Fixed assets	574,000	635,000
Equip. leased to others	—	117,000
Other assets	243,000	345,000
Total Assets	$ 3,102,000	$ 4,813,000

Liabilities

	1989	1988
Notes payable	$ 2,114,000	$ 2,816,000
Long-term debt, curr.	10,000	15,000
Accts. payable	282,000	477,000
Accruals	275,000	309,000
Cust. advance payments	—	159,000
Curr. Liabilities	$ 2,681,000	$ 3,776,000
Long-term debt	4,000	9,000
+Common stock	23,000	23,000
Add. paid-in capital	2,361,000	2,361,000
Retained earnings (deficit)	(1,812,000)	(1,201,000)
Treasury stock	(155,000)	(155,000)
Total Liabilities & Shareholders' Equity	$ 3,102,000	$ 4,813,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
Debt to Equity	5.10	2.76
Shareholders' Equity	$ 417,000	$ 1,028,000

Butler National Corporation

8246 Nieman Road
Lenexa, Kansas 66214
(913) 888-8585
FAX: (913) 888-8611

Officers: Gerald R. Smith, chairman & chief executive officer; Clark D. Stewart, president & chief exec. officer; John R. Dixon, president & chief operating officer; R.J. Fitzgerald, general counsel & secretary; Jack Graham, v.p.-aircraft modifications; John M. Brennan, v.p. & chief financial officer.

Directors: Clark D. Stewart, R. Warren Wagoner, Albert Sidun, John M. Brennan, Randall W. Wagoner.

Areas of Work: Manufactures and markets airborne switching units. Also modifies aircraft, and services and monitors water treatment facilities.

Subsidiaries:

Avcon Industries, Inc.
P.O. Box 748, Building J
City County Airport
Newton, Kansas 67114

Butler National Services Company
(formerly Lauderdale Services, Inc.)
2772 N.W. 31st Street
Ft. Lauderdale, Florida 33311
(305) 733-7511

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
7th & Marquette
Minneapolis, Minnesota 55401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUTL (NASDAQ)

Number of Employees:

1989	98	1986	84
1988	95	1985	95
1987	97		

Plant Footage:

1989	23,935 sq. ft.	1986	23,935
1988	23,935	1985	23,935
1987	23,935		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 5,167,000	$ (3,157,000)
1988	4,791,000	642,000
1987	4,108,000	(907,000)
1986	3,316,000	(348,000)
1985	2,254,000	259,000

	No. of Com. Shares #	Earn. Per Share ‡ #
1989	3,669,048	$ —
1988	3,669,694	0.17
1987	3,654,596	$ —
1986	3,528,012	—
1985	N.A.	0.07

(Loss)
N.A.- Not Available.
+ Of continuing operations only.
‡ Including extraordinary gain of $233,000 ($0.06 per share) in 1988.
# Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Aircraft modification	$ 2,256,879	$ 1,546,281
Avionics	1,256,814	1,508,693
Monitoring services	280,199	919,543
Total	$ 3,793,892	$ 3,974,517

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ (1,232,966)	$ —
1988	1,954,780	0.53
1987	1,307,077	0.36
1986	2,187,454	0.62
1985	2,514,741	—

(Deficiency)
# Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1989	1988
Net sales	$ 5,167,380	$ 4,791,439
Cost of sales	4,988,209	2,946,765
Expenses	1,683,416	1,157,800
Prov. for discount on note	102,000	—
Interest expense	225,060	141,453
Interest income	(50,588)	(47,583)
Gain on sale - prod.line	—	(62,183)
Other expense (income)	157,871	(34,406)
Inc. (loss) bef. taxes	$ (1,938,588)	$ 689,593
Income taxes	—	264,475
Inc. (loss)-cont. oper.	$ (1,938,588)	$ 425,118
Loss-discont. oper.	(1,218,873)	(16,184)
Net Income (Loss)	$ (3,157,461)	$ 408,934
Extraord. gain	—	233,000
Net Income (Loss) & extraord. gain	$ (3,157,461)	$ 641,934

* Included in Costs and Expenses, Depreciation and Amortization: $196,633,000 in 1989 and $151,554,000 in 1988.

Assets

As of April 30	1989	1988
Cash	$ 22,991	$ 19,078
Accts. receiv., net	696,312	832,939
Contracts in process	243,860	298,416
Notes receiv.	28,665	240,463
Assets under contrac. arrange.	131,308	—
* Inventories	410,495	468,880
Assets - discont. oper.	107,076	738,873
Prepaid expenses	23,434	20,412
Current Assets	$ 1,664,141	$ 2,619,061
Notes receivable	191,019	214,331
Assets under contrac. arrange.	244,514	—
Assets - discont. oper	59,221	351,666
Receiv. from officer	—	60,002
# Fixed assets	1,077,191	1,057,163
Other assets	12,291	33,395
Total Assets	$ 3,248,377	$ 4,335,618

Liabilities

	1989	1988
Bank overdraft	$ 94,844	$ 22,363
Notes payable, curr.	377,525	107,461
Cap. lease oblig., curr.	2,664	—
Accounts payable	971,721	360,415
Customer advances	—	98,000
Accruals	535,896	312,923
Customer deposits	100,000	679,157
Curr. Liabilities	$ 2,082,650	$ 1,580,319
Bank notes	2,000,000	669,843
Notes payable	72,359	93,731
Cap. lease oblig.	326,334	—
Deferred comp.	—	36,945
+ Common stock	370,279	367,849
Add. paid-in capital	9,485,796	9,472,911
Notes - stock purch. agree.	(45,600)	—
Deficit	(11,043,441)	(7,885,980)
Total Liabilities & Shareholders' Equity	$ 3,248,377	$ 4,335,618

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1989	1988
% Net Income to Equity	—	20.92
Sales to Inventories	12.59	10.22
Debt to Equity	—	0.46
Working Capital	—	$ 1,038,742
Current Ratio	—	1.66
Shareholders' Equity (Deficiency)	$ (1,232,966)	$ 1,954,780

CAE Industries Ltd.

Suite 3060, P.O. Box 30
Royal Bank Plaza
Toronto, Ontario M5J 2J1, Canada
(416) 865-0700
FAX: (416) 865-9747

Officers: R. Fraser Elliott, chairman of the board; C. Douglas Reekie, vice chairman; David H. Race, president & chief executive officer; John E. Caldwell, sr. v.p. finance & corp. affairs; Frederick C. Fraser, v.p.-corp. relations; David A. Lazzarato, controller & asst. secretary; David L. Adams, treasurer; N.B. Cavadias, sr. v.p.-electronics & aerospace group; F. Veuger, v.p.-industrial products group.

Directors: R. Fraser Elliott, chairman; C. Douglas Reekie, Pierre Cote, Ward C. Pitfield, E. Jacques Courtois, J.D. Creighton, J.W. McCutcheon, Michael M. Koerner, D.H. Race, F.C. Wilkinson.

Areas of Work: CAE Industries Ltd. is a Canadian-owned holding and management company with operating divisions across Canada, in the U.S. and in West Germany. These divisions are engaged in electronics, aviation, and industrial products manufacturing and services for a wide variety of industries, with an emphasis on simulation and training services.

Subsidiaries:

CAE Machinery Ltd.
3550 East Broadway
Vancouver, B.C., Canada
(604) 299 3431

Engineered products, including bandmills, log carriages, edger optimizers, chippers, chip screens, disc waferizers and resin blending equipment, pulp and paper equipment refurbishing, ferrous metal castings.

USP Industries Inc.
72 Queen Street
Lennoxville, Quebec, Canada
(814) 562-4754

Perforated, drilled and slotted stainless steel screen plates and baskets, chrome and nickel plating.

Northwest Industries Limited
Industrial Airport
P.O. Box 517
Edmonton, Alberta, Canada
(403) 455-3161

Aircraft inspection, maintenance, overhaul, modification, repair and technical support; technical publications.

Canadian Bronze Company Limited
15 Bury Street
Winnipeg, Manitoba, Canada
(204) 786-6821

Journal and diesel locomotive suspension bearings, diesel cylinder liner replating, axle plating and machining, wheel set maintenance and reconditioning, aluminium and bronze castings.

CAE Electronics Ltd.
8585 Cote de Liesse Road
St. Laurent 377
Montreal, Quebec, Canada
(514) 341-6780

Commercial and military aircraft and helicopter flight simulators, energy management systems, nuclear power plant control systems and simulators, shipboard propulsion machinery control systems, airborne magnetic anomaly detection systems, air defense training systems, air traffic control systems, telerobotic systems, systems engineering and weapons systems software support for tactical aircraft.

CAE Fiberglass Ltd.
219 Jamieson Bowe Road
Belleville, Ontario, Canada

Filament wound fiberglass underground fuel storage tanks.

CAE Electronics GmbH
Steinfurt II
Stolberg, Aachen, West Germany

Maintenance, upgrading and support of military flight, tactics and radar simulators; production of training aids, electronic warfare flight simulator sub-systems, air crew selection systems and commercial telecommunications and data handling systems.

CAE Electronics B.V.
Amsterdam, The Netherland
Zurich, Switzerland

CAE-Link Corporation (formerly the Link Domestic Training andSimulation Division of The Singer Co.)
(Acquired on August 22, 1988.)
Washington, Washington D.C.

Supplies simulators and total training services to U.S. government agencies and foreign governments.

Divisions of CAE-Link Corporation:

Link Flight Simulation Division
Binghamton, New York

Produces military flight and mission simulators, part-task trainers and visual display systems.

Houston, Texas

Assembles simulators, develops computer software, and maintains and upgrades space program training devices.

Sunnyvale, California

Engaged in applied research and development. Also manufactures complex devices such as digital image generators for visual scene simulation, electro-optical sensor simulation, radar landmass simulation, and sensor system database technology.

Link Tactical Simulation Division
Silver Spring, Maryland

Develops and manufactures simulation systems for naval tactics and operations, including anti-submarine warfare, for ASW aircraft, surface vessels and submarines. Also develops battlefield command and control systems for tactical land warfare training.

Link Training Services Division
Dallas, Texas

Provides training instruction, logistics support and training system development and management to CAE-Link customers.

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CAE

Number of Employees:

1989	11,760	1986	5,125
1988	12,400	1985	4,892
1987	4,200		

Sales & Earnings

	Revenues +	Net Income #
1990	$ 1,119,546,000	$ 2,689,000
1989	838,827,000	42,755,000
1988	332,890,000	29,297,000
1987	335,410,000	27,935,000
1986	285,993,000	33,278,000

	No. of Com. Shares x	Earn. per Share #‡
1990	96,291,595	$ 0.03
1989	77,504,045	0.55
1988	77,209,617	0.38
1987	76,685,556	0.36
1986	76,105,262	0.44

+ Of continuing operations only.
# Including extraordinary gains of $2,217,000 ($0.03 per share) in 1988, $795,000 ($0.01 per share) in 1987, $1,313,000 ($0.02 per share) in 1986 and extraordinary loss of $399,000 ($0.01 per share) in 1989.
x Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Electronics/aerospace	$ 1,028,554,000	$ 755,167,000
Manufacturing	755,167,000	83,660,000
Total	$ 1,119,546,000	$ 838,827,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.16	—	—
1989	0.16	—	
1988	0.16	—	—
1987	0.16	—	2-for-1
1986	0.14	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 441,908,000	$ 4.59
1989	223,603,000	2.89
1988	210,917,000	2.73
1987	N.A.	2.48
1986	N.A.	2.26

N.A. - Not Available.
‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended March 31	1990	1989
Revenue	$ 1,119,546	$ 838,827
Cost of sales & expenses	1,025,656	737,020
Depreciation & amortization	37,904	24,256
Interest expense	42,965	28,005
Curr. exch. gain	(8,754)	(5,592)
Loss from discont. oper.	—	242
Income before taxes	$ 21,775	$ 54,896
Income taxes	19,086	11,742
Net Income	$ 2,689	$ 43,154
Extraord. loss	—	(399)
Net Income & extraord. loss	$ 2,689	$ 42,755

Assets
(000's)

As of March 31	1989	1988
Accts. receiv., net	$ 383,939	$ 434,401
•Inventories	57,797	56,234
Prepaid expenses	5,194	5,381
Inc. taxes recov.	18,489	14,535
Current Assets	$ 465,419	$ 510,551
#Fixed assets	144,652	132,716
Other assets	6,703	3,597
Intangibles	658,811	513,408
Total Assets	$ 1,275,585	$ 1,160,272

Liabilities
(000's)

Bank indebtedness	$ 12,588	$ 218,939
Long-term debt, curr.	181	158
Accts. payable & accruals	373,944	272,375
Gov't. of Canada loan	3,900	3,900
Deposits on contracts	116,916	68,459
Curr. Liabilities	$ 507,529	$ 563,831
Long-term debt	315,266	358,503
Deferred income taxes	8,937	12,649
Minority interest	1,945	1,686
+Capital stock	304,900	53,411
Retained earnings	170,189	189,199
Curr. trans. adjust.	(33,181)	(19,007)
Total Liabilities & Shareholders' Equity	$ 1,275,585	$ 1,160,272

• At lower of average cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.94	—
%Net Income to Sales	0.24	—
%Net Income to Equity	0.61	19.12
Debt to Equity	0.74	2.58
Shareholders' Equity	$ 441,908,000	$ 223,603,000

California Microwave, Inc.

990 Almanor Avenue
Sunnyvale, California 94086
(408) 732-4000
FAX: (408) 732-4244

Officers: David B. Leeson, chairman & chief executive officer; Gilbert F. Johnson, president & chief operating officer; David E. Hershberg, exec. v.p. & pres.-Satellite Transmission Systems, Inc.; George L. Spillane, v.p.-finance, chief financial officer & secretary; Joseph Russell, exec v.p. & pres.-Gov't. Electronics Division; E. Russell Hardy, v.p. & pres.-Sunnyvale Operations; H. Gary Vandemark, v.p. & v.p.-New Business Development; Robert C. Fitting, v.p. & pres.-EFData Corp.; Kenneth A. Miller, v.p..

Directors: David B. Leeson, chairman; Robert A. Helliwell, David E. Hershberg, Gilbert F. Johnson, Oswald G. Villard, Jr., Thomas D. Sege, Daniel J. McGanney, Jr..

Areas of Work: The company is engaged in information technology: satellite communications earth stations and equipment, airborne intelligence systems and microwave communications products.

Divisions and Subsidiaries:

California Microwave Foreign Sales Corp.
Sunnyvale, California
(408) 732-4000

Government Communications Systems Division
Annapolis Junction, Maryland

Sunnyvale Operations
Sunnyvale, California

Microwave Data Systems, Inc. (80%-owned)
Rochester, New York
Data radio equipment.

Satellite Transmission Systems, Inc.
Melbourne, Florida
Hauppauge, New York 11787
(516) 231-1919

Government Electronics Division
Woodland Hills & Lincoln, California
Electronic intelligence systems.

Advent Communications Technology, Inc. (80%-owned)
San Jose, California
Manufactures telecommunications test equipment.

EFData Corporation
Tempe, Arizona
Manufactures a range of digital satellite modems.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMIC (NASDAQ)

Number of Employees:

1989	1,020	1986	946
1988	792	1985	1,016
1987	780		

Plant Footage:

1989	367,000 sq. ft.	1986	337,000
1988	293,000	1985	337,000
1987	317,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 125,395,000	$ 5,132,000
1988	97,150,000	3,197,000
1987	97,657,000	(7,193,000)
1986	104,421,000	4,418,000
1985	105,359,000	4,607,000

	No. of Com. Shares #	Earn. per Share #
1989	8,167,000	$ 0.63
1988	8,053,000	0.40
1987	7,910,000	—
1986	8,086,000	0.55
1985	8,433,000	0.55

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 48,173,000	$ 5.99
1988	43,945,000	5.42
1987	40,137,000	5.00
1986	46,438,000	5.85
1985	46,087,000	5.53

Income Account *

Year ended June 30	1989	1988
Net sales	$ 125,395,000	$ 97,150,000
Cost of sales	99,364,000	75,539,000
Expenses:		
Res. and develop.	2,096,000	2,773,000
Marketing & adm.	15,636,000	14,121,000
Interest expense (income)	403,000	(202,000)
Income bef. taxes	$ 7,896,000	$ 4,919,000
Income taxes	2,764,000	1,722,000
Net Income	$ 5,132,000	$ 3,197,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,695,000 in 1989 and $3,558,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 565,000	$ 8,642,000
Short-term investments	727,000	713,000
Accts. receiv., net	31,185,000	18,360,000
•Inventories	29,697,000	19,399,000
Prepaid expenses	385,000	358,000
Current Assets	$ 62,559,000	$ 47,472,000
#Fixed assets	13,476,000	10,470,000
Invest. & advances	—	1,615,000
Intangibles	8,544,000	3,380,000
Other assets	398,000	415,000
Total Assets	$ 84,977,000	$ 63,352,000

Liabilities

Notes payable	$ 12,084,000	$ —
Accounts payable	9,267,000	8,218,000
Accruals	7,672,000	7,721,000
Income taxes	1,551,000	1,238,000
Curr Liabilities	$ 30,574,000	$ 17,177,000
Long-term debt	6,230,000	2,230,000
+Common stock	794,000	802,000
+Jr. Common stock	9,000	9,000
Add. paid-in capital	18,597,000	18,093,000
Retained earnings	29,339,000	25,618,000
Unamortized stock plan	(326,000)	(337,000)
Notes receivable	(240,000)	(240,000)
Total Liabilities & Shareholders' Equity	$ 84,977,000	$ 63,352,000

• At lower of cost or market. Costs are based on standard costs which approximate actual costs on the FIFO method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.30	5.06
%Net Income to Sales	4.09	3.29
%Net Income to Equity	10.65	7.28
Sales to Inventories	4.22	5.01
Debt to Equity	0.38	0.05
Working Capital	$ 31,985,000	$ 30,295,000
Current Ratio	2.05	2.76
Shareholders' Equity	$ 48,173,000	$ 43,945,000

Canadian Marconi Company

(51.6% owned by The General Electric Co., p.l.c. of England)

2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630
FAX: (514) 340-3100

Officers: James F. Grandy, chairman; J. Gustave McInnes, comptroller; John H. Simons, president & chief executive officer; John R. Killick, sr. v.p.; Claude St. Arnaud, sr. v.p.; Gerry Stuurop, treasurer; Andre Massicotte, v.p.-human resources/administration; James J. Kelly, v.p. & chief financial officer; Laurent Noel, v.p.; Daniel Rosenthal, v.p.-Commercial Communications Division; J. Joseph Bedford, v.p.-DataComm Products Division; Ervin Spinner, v.p.-Avionics Division; Claude Bellefleur, v.p.-Components Division; Marcia Mckenzie, secretary; Antoine F. Sayegh, v.p.-commercial services; Gerald R. Smith, v.p.-Naval & Ground Systems Division; Peter Katz, v.p.-Defense Communications Division.

Directors: Ian D. Sinclair, Thomas S. Dobson, Roger O. Beauchemin, James F. Grandy, William I. Mackenzie Turner, Jr., William H. Alexander, Conrad M. Black, Ronald H. Grierson, R. Anthony Robinson, John R. Killick, John H. Simons.

Areas of Work: Engaged in the manufacture of highly engineered electronic products for defense and civil use.

Divisions and Subsidiaries:

Avionics Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630

Design, development, production and support of airborne navigation systems, display systems, monitoring and control systems, automated test equipment and systems engineering.

DataComm Products Division
415 Legget Drive
Kanata, Ontario K2K 2B2, Canada
(613) 592-6500

Telex switching systems, time division multiplexers, loop adaptors, and bidirectional fax to telex conversion facilities.

Defence Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630

Design, manufacturing and marketing of military communications equipment. Products include: ECCM multichannel radios, multiplexers, switchboards, command control and communications systems.

Components Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630

Designs, manufactures and markets electronic components including multi-layer printed circuit boards, thin film and thick film hybrid microcircuits, magnetic devices, illuminated panels, alpha-numeric displays and power supplies.

Commercial Communications Division
2442 Trenton Avenue
Montreal, Quebec HEP 1Y9, Canada
(514) 341-7630

Supplies communications, navigation and sophisticated test equipment to marine and land-based industries and Canadian government institutions. Equipment and services include radar systems, mobile VHF and UHF radios, fish-finding equipment, navigation and communications systems for marine use and highly specialized instrumentation for testing and measurement.

Naval and Ground Systems Division
415 Legget Drive
Kanata, Ontario K2K 2B2, Canada
(613) 592-6500

Produces naval navigation, surface search and air surveillance radar systems and ground-based navigational aids such as microwave landing systems, VHF omni-directional range equipment, instrument landing equipment, VHF omni-test equipment and distance measuring equipment, and provides airspace systems engineering services.

CMC Electronics, Inc.
1 Madison Street
East Rutherford, New Jersey 07073
(201) 777-1662

Repair and overhaul of company's avionics and communications equipment.

Cincinnati Electronics Corporation
2630 Glendale-Milford Road
Cincinnati, Ohio 45241-3187
(513) 733-6100

Engaged in the design, development, production and support of high-technology electronics. Products include range safety receivers for launch vehicles, infrared tail warning systems for military aircraft, and hybrid detectors/amplifiers for weather satellite programs, and defense communications products.

Transfer Agent(s):

Montreal Trust Company
1800 McGill College Avenue
Montreal H3A 3K9, Canada

Stock Exchange(s): American, Montreal, Toronto

Ticker Symbol: CMW

Number of Employees:

1990	3,680
1989	4,250
1988	2,957
1987	2,729
1986	2,668

Plant Footage:

1990	740,000 sq. ft.
1989	N.A.
1988	723,000
1987	650,000

N.A. - Not Available.

Sales & Earnings‡

	Revenues	Net Income †
1989	$ 315,589,000	$ 24,320,000
1988	220,193,000	22,039,000
1987	227,722,000	26,836,000
1986	226,634,000	25,841,000
1985	313,925,000	52,088,000

	No. of Com. Shares +	Earn. per Share †+
1989	23,772,768	$ 1.02
1988	23,772,768	0.93
1987	23,772,768	1.13
1986	23,772,768	1.09
1985	23,772,768	2.19

‡ In Canadian dollars.
+ Adjusted to reflect stock split.
† Including extraordinary gain of $1,110,000 ($0.04 per share) in 1988 and extraordinary loss of $789,000 ($0.03 per share) in 1986.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.28	—	—
1988	0.28	—	
1987	0.28	—	—
1986	0.29	—	—
1985	0.27	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 247,905,000	$ 10.43
1988	232,236,000	9.77
1987	216,853,000	9.12
1986	196,673,000	8.27
1985	176,972,000	7.44

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended March 31	1989	1988
Revenues	$ 315,589	$ 220,193
Costs & expenses	274,607	185,401
Depreciation & amortization	14,645	9,295
Interest expense	484	175
Gain on sale of land	—	(2,237)
Income before taxes	$ 25,853	$ 27,559
Income taxes	2,643	5,520
Net Income	$ 23,210	$ 22,039
Extraord. gain	1,110	—
Net Income & extraord. gain	$ 24,320	$ 22,039

Assets
(000's)

As of March 31	1989	1988
Cash & temp. invest.	$ 64,771	$ 127,338
Accts. receiv., net	79,398	54,336
Inc. taxes refund.	6,411	4,908
*Inventories	90,239	44,186
Prepaid expenses	2,896	699
Current Assets	$ 243,715	$ 231,467
Investments	37,147	37,147
#Fixed assets	65,744	37,377
Goodwill	8,224	—
Total Assets	$ 354,830	$ 305,991

Liabilities
(000's)

Accts. payable & accruals	$ 92,254	$ 65,747
Income taxes	673	24
Curr. Liabilities	$ 92,927	$ 65,771
Long-term debt	6,141	986
Deferred inc. taxes	7,857	6,998
+ Capital stock	10,216	10,216
Retained earnings	239,684	222,020
Cum. trans. adjust.	(1,995)	—
Total Liabilities & Shareholders' Equity	$ 354,830	$ 305,991

* At lower of cost or est. net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.19	12.52
%Net Income to Revenues	7.35	10.01
%Net Income to Equity	9.36	9.49
Debt to Equity	0.02	—
Working Capital	$ 150,788,000	$ 165,696,000
Current Ratio	2.62	3.52
Shareholders' Equity	$ 247,905,000	$ 232,236,000

Canon, Inc.

7-1, Nishi-shinjuku 2-chome
Shinjuku-ku, Toyko 163, Japan

Directors: Ryuzaburo Kaku, chairman & representative director; Keizo Yamaji, pres. & representative director; Hajime Mitarai, senior managing & representative director; Fujio Mitarai, senior management & representative director; Hiroshi Tanaka, senior managing & representative director; Kazuo Naito, senior managing & representative director; Torakiyo Yamanaka, managing director; Masahiro Tanaka, managing director; Tsuneo Enome, managing director; Hideharu Takemoto, managing director; Seiichi Takikawa, director & advisor; Yutaka Nasu, Takeshi Goshima, Keishi Fukuda, Takeshi Mitarai, Shinichiro Nagashima, Koichi Sukegawa, Giichi Marushima, Reiji Shirahase, Toshio Endo, Ryozo Hirako, Yoshiaki Suguri, Hisashi Sakamaki, Eiichi Kondo, Takashi Kitamura, Ichiro Endo, Hajime Katayama.

Areas of Work: Manufactures and markets lines of cameras, business machines, and advanced optical products for the semiconductor, broadcasting, and medical fields. Products include electronic typewriters, wordprocessors, facsimile transceivers, microcomputers, laser beam printers, copies, calculators, SLR (single-lens reflex) cameras and video equipment, lenses for SLR, rangefinder and video cameras, precision components such as floppy disk drives, magnetic heads, SLR components and micrographics, medical diagnostic machines, television broadcast lenses, ultraprecise optical components, 35mm rangefinder cameras, copies accessories, micromotors for audio and video products and computers, and a full line of semiconductor production equipment.

Manufacturing Subsidiaries:

Canon Electronics, Inc.
Manufactures precision components such as floppy disk drives, magnetic heads, SLR components and micrographics.

Copyer Co., Ltd.
Manufactures copiers and copier supplies.

Canon Precision, Inc.
Manufactures micromotors used in audio products, video tape recorders, business machines and computers.

Canon Seiko Co., Ltd.
Manufactures molded parts and electronic flash guns.

Oita Canon, Inc.
Manufactures 35mm rangefinder cameras.

Dai-Ichi Seiki Kogyo Co., Ltd.
Produces cartridges and accessories for copiers.

Canon Chemical Co., Inc.
Produces rollers and blades for copiers.

Canon Components, Inc.
Manufactures hybrid ICs and other high-tech components.

Canon Inc., Taiwan
Manufactures 35mm rangefinder cameras and micromotors for audio products.

Canon Giessen GmbH
West Germany
Manufactures plain paper copiers.

Canon Bretagne S.A.
France
Manufactures electronic typewriters and facsimile transceivers.

Canon Business Machines, Inc.
California, U.S.A.
Produces consumables for copiers and electronic typewriters.

Canon Virginia, Inc.
Virginia, U.S.A.
Manufactures copiers.

Major Marketing Subsidiaries:

Canon U.S.A., Inc.
One Canon Plaza
Lake Success, New York 11042, U.S.A.

Canon Canada, Inc.
6390 Dixie Road
Mississauga, Ontario L5T 1P7, Canada

Canon Europa N.V.
Van Leijenberghlaan 221
P.O. Box 7907
1008 AC Amsterdam, The Netherlands

Canon U.K. Ltd.
Canon House
Manor Road
Wallington Surrey SM6 OAJ, United Kingdom

Canon France S.A.
Centre d'Affaires Paris Nord
Immeuble le Bonaparte
Le Blanc Mesnil 93150, France

Canon Latin America, Inc.
Apartado 702
Panama 5, Republic of Panama

Canon Australia Pty. Ltd.
1/37 Waterloo Road
North Ryde
Sydney N.S.W. 2113, Australia

Canon Singapore Pte. Ltd.
95 South Bridge Road #13-01/15
South Bridge Centre
Singapore 0105

Canon Hong Kong Trading Co., Ltd.
Room 1101-3 & 1121-2 - Peninsula Centre
67 Mody Road - Tsimshatsui East
Kowloon, Hong Kong

Transfer Office:

The Yasuda Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome
Chuo-ku
Tokyo 103, Japan

Depositary and Agent for ADRs:

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015, U.S.A.

Stock Exchange(s): Toyko, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Japan; Luxembourg, Frankfurt, Over-the-Counter (U.S.A.)

Ticker Symbol: CANNY (NASDAQ-U.S.A.)* *Trades as an American Depositary Receipt (ADR)

Number of Employees:

1989	44,401	1986	35,498
1988	40,740	1985	34,129
1987	37,521		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1989	¥ 1,350,917	¥ 38,293
1988	1,106,010	37,100
1987	976,711	13,244
1986	889,217	10,728
1985	955,780	37,056

	No. of Com. Shares ‡	Earn. per Share ‡
1989	780,546,000	¥ 50.16
1988	747,059,000	51.27
1987	747,053,000	19.65
1986	746,108,000	16.67
1985	727,257,000	53.38

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(millions)

	1989	1988
Business machines:		
Copiers	¥ 533,115	¥ 436,924
Computer peripherals	274,048	193,593
Business systems	273,122	241,041
Cameras	177,597	159,151
Optical & other prods.	93,035	75,301
Total	¥ 1,350,917	¥ 1,106,010

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	¥11.93	10%*	—
1988	11.36	—	
1987	9.09	—	—
1986	11.36	—	—
1985	11.36	—	—

+ Adjusted to reflect stock dividend.
* In Japan the Board of Directors may approve a free distribution of common stock under the provisions of the Commercial Code which is distinguished from a stock dividend paid out of retained earnings, which must be approved by the stockholders.

Common Stock Equity

	Total Equity (millions)	Equity Per Share ‡
1989	¥ 550,841	¥ 705.71
1988	416,465	557.47
1987	371,198	496.88
1986	336,456	450.95
1985	333,148	458.09

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *
(millions)

Year ended Dec. 31	1989	1988
Net sales	¥ 1,350,917	¥ 1,106,010
Cost of sales	770,185	641,181
Expenses	464,747	376,915
Interest expense	40,301	28,728
Interest income	(32,174)	(22,991)
Other expense (income)	16,767	(3,652)
Income before taxes	¥ 91,091	¥ 85,829
Income taxes	46,245	43,873
Minority interests	6,553	4,856
Net Income	¥ 38,293	¥ 37,100

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 67,091,000,000 in 1989 and ¥ 60,636,000,000 in 1988.

Canon, Inc.

Assets
(millions)

As of Dec. 31	1989	1988
Cash & cash equiv.	¥ 514,312	¥ 388,645
Marketable securites	29,052	52,843
Accts. receiv., net	242,511	193,800
*Inventories	344,077	277,691
Prepaid expenses	74,331	47,720
Current Assets	¥ 1,204,283	¥ 960,699
Receivables & restricted funds	30,270	24,742
Investments	71,130	35,631
#Fixed assets	302,258	256,151
Other assets	28,439	22,620
Total Assets	¥ 1,636,380	¥ 1,299,843

Liabilities
(millions)

	1989	1988
Short-term loans	¥ 296,674	¥ 259,880
Accts. payable	277,963	234,493
Income taxes	35,036	30,246
Accruals	60,381	41,431
Other current liabilities	43,345	35,512
Curr. Liabilities	¥ 713,399	¥ 601,562
Long-term debt	277,556	206,083
Retirement benefits	11,447	10,879
Minority interest	83,137	64,854
+Common stock	72,979	43,386
Add. paid-in capital	253,568	193,057
Legal reserve	9,009	8,753
Retained earnings	230,252	201,866
For curr. trans. adjust.	(14,967)	(30,597)
Total Liabilities & Shareholders' Equity	¥ 1,636,380	¥ 1,299,843

* At lower of cost (average) or market; foreign at FIFO.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.74	7.76
%Net Income to Sales	2.83	3.35
%Net Income to Equity	6.95	8.91
Sales to Inventories	3.93	3.98
Debt to Equity	1.04	1.12
Working Capital (000's)	¥ 490,884,000	¥ 359,137,000
Current Ratio	1.69	1.60
Shareholders' Equity (000's)	¥ 550,841,000	¥ 416,465,000

Canrad Inc.

(Acquired by ARC International Corporation on December 31, 1988)

100 Chestnut Street
Newark, New Jersey 07105
(201) 589-4300

Officers: Harry J. Shutt, president; Richard W. Noble, v.p., treasurer, controller & asst. secretary; Philip Halpern, secretary.

Directors: Philip Halpern, Arnold Tenney.

Divisions and Subsidiaries:

Hanovia Lamp Inc.
Newark, New Jersey
Designs, develops and produces plasma arc lamps and related equipment including commercial and industrial ultraviolet products.

Strong International
Omaha, Nebraska
Designs, develops and manufactures projection systems and high intensity lighting equipment.

Ballantyne of Omaha, Inc.
Omaha, Nebraska
Manufactures 35mm and 70mm movie projectors, sound equipment, and theater automation equipment and a line of restaurant equipment.

Colight
Minneapolis, Minnesota
Manufactures and markets photo exposure equipment for printed circuit board manufacturing industry.

Special Products Manufacturing Inc.
Binghamton, New York
Manufactures, assembles and sells wave guides and other components for microwave transmissions, and offers machining, plating and assembly services on a contract basis.

Wilson Instruments
Binghamton, New York
Manufactures, assembles, sells and services hardness, microhardness and tensile testing equipment.

Rockwell Hardness Testers, Ltd.
Stourport-on-Severn, England
Sells and services hardness, microhardness and tensile testing equipment.

Number of Employees:

1988	597	1986	N.A.
1987	585	1985	457

N.A. - Not Available.

Plant Footage:

1988	430,000 sq. ft.	1987	374,000

Sales & Earnings x

	Net Sales +	Net Income
1988	$ 54,628,000	$ 662,000
1987	44,366,000	844,000
1986	36,606,000	1,530,000
1985	29,652,000	741,009
1984	27,167,000	889,334

	No. of Com. Shares †	Earn. per Share #
1988	—	$ —
1987	1,167,364	0.71
1986	1,102,871	1.29
1985	950,234	0.64
1984	940,942	0.77

(Loss)
x Since the company has become a wholly-owned subsidiary of ARC International, there are no common share figures for 1988.
+ Of continuing operations only.
† Adjusted to reflect stock dividend.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1988	1987
Ultraviolet products	$ 16,447,132	$ 15,735,128
Theatre & restaurant prods.	17,306,518	12,406,794
Telecommunications prods.	19,329,384	14,125,250
Other	1,544,622	2,098,410
Total	$ 54,627,656	$ 44,365,582

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 15,140,235	$ —
1987	10,799,591	9.25
1986	9,750,441	8.84
1985	6,388,686 ‡	6.72
1984	5,684,249 ‡	6.04

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock dividend.

Income Account

Year ended Dec. 31	1988	1987
Net sales	$ 54,627,656	$ 44,365,582
Cost of sales	41,708,931	33,219,801
Expenses	10,499,178	8,539,041
Interest expense	1,296,496	901,770
Terminated tender offer	—	225,000
Income before taxes	$ 1,123,051	$ 1,479,970
Income taxes	461,500	635,900
Net Income	$ 661,551	$ 844,070

Assets

As of Dec. 31	1988	1987
Cash	$ 423,529	$ 152,727
Accts. receiv., net	8,106,216	7,723,389
Refundable inc. taxes	—	355,732
*Inventories	16,861,498	13,947,134
Other curr. assets	792,364	786,978
Current Assets	$ 26,183,607	$ 22,965,960
#Fixed assets	15,081,518	7,680,865
Other assets	3,413,656	1,252,033
Total Assets	$ 44,678,781	$ 31,898,858

Liabilities

	1988	1987
Long-term debt, curr.	$ 96,538	$ 201,259
Accts. payable	5,466,508	4,120,093
Accruals	2,962,248	2,038,773
Income taxes	146,571	73,565
Curr. Liabilities	$ 8,671,865	$ 6,433,690
Long-term debt	15,726,736	12,578,779
Deferred inc. taxes	1,207,575	806,338
Other long-term liabilities	3,932,370	1,280,460
Common stock equity	15,140,235	10,799,591
Total Liabilities & Shareholders' Equity	$ 44,678,781	$ 31,898,858

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	2.06	3.34
%Net Income to Sales	1.21	1.90
%Net Income to Equity	4.37	7.82
Sales to Inventories	3.24	3.18
Debt to Equity	1.05	1.18
Working Capital	$ 17,511,742	$ 16,532,270
Current Ratio	3.02	3.57
Shareholders' Equity	$ 15,140,235	$ 10,799,591

Carco Electronics

195 Constitution Drive
Menlo Park, California 94025
(415) 321-8174
FAX: (415) 321-1890

Officers: John M. Carter, president; William M. Schultz, v.p.-administration; Rudy Schneider, v.p.-engineering; John A. Watson, v.p.-new products; Samuel R. Curless, vice president-manufacturing; William M. Spont, vice president & technical asst.; Hugh D. Carter, v.p.-production; William R. Meckfessel, treasurer; Helen D. Carter, secretary; Lynda G. Brown, assistant secretary.

Directors: John M. Carter, A. William Bloom, Emmet G. Cameron, Robert P. Nelson, Jr., Richard T. Orth, William R. Meckfessel, William F. Nicklin.

Areas of Work: The company's primary product line includes motion simulators and precision rotary tables. These are used in the development and production testing of guidance, navigation and control systems, and systems components. A second product line is microwave boresight and boresight-error measuring systems for precision radomes.

Transfer Agent(s):

Carco Electronics
'95 Constitution Drive
Menlo Park, California 94025

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	90
1988	82
1987	75

Plant Footage:

1989	25,000 sq. ft.
1988	25,000
1987	20,000
1986	20,000
1985	20,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 8,835,112	$ 491,888
1988	8,960,917	474,628
1987	7,999,577	392,256
1986	6,189,520	132,264
1985	6,440,665	286,577

	No. of Com. Shares +	Earn. per Share ‡
1989	401,510	$ 1.21
1988	401,510	1.18
1987	401,510	0.97
1986	401,510	0.33
1985	401,510	0.71

+ Class A and Class B shares combined.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	
1987	0.10	—	—
1986	0.10	—	—
1985	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 3,675,424	$ 9.15
19[illegible]	3,231,711	8.05
1987	2,805,264	6.99
1986	2,453,159	6.11
1985	2,361,046	5.88

+ Based on Class A and Class B stock combined.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 8,835,112	$ 8,960,917
Cost of sales	6,226,326	6,280,015
Expenses	1,719,663	1,765,274
Interest income	(45,494)	(1,633)
Interest expense	111,929	145,169
Income before taxes	$ 822,688	$ 772,092
Income taxes	330,800	297,464
Net Income	$ 491,888	$ 474,628

* Included in Costs and Expenses, Depreciation: $43,351 in 1989 and $38,831 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 65,061	$ 197,259
Accts. receiv.	1,333,559	1,750,030
Costs & earn. in exc. of billings	3,346,509	3,305,295
* Inventories	616,503	385,549
Prepaid expenses	27,134	41,811
Deferred inc. taxes	6,778	22,172
Current Assets	$ 5,395,544	$ 5,702,116
# Fixed assets	229,421	161,648
Other assets	7,925	7,950
Total assets	$ 5,632,890	$ 5,871,714

Liabilities

	1989	1988
Note payable	$ 925,000	$ 1,200,000
Accts. payable	436,537	370,606
Accruals	491,139	657,537
Accrued inc. taxes	32,021	65,360
Billings in exc. of costs	72,769	332,000
Curr. Liabilities	$ 1,957,466	$ 2,625,503
Deferred inc. taxes	—	14,500
+ Capital stock:		
Class A	35,189	35,189
Class B	15,000	15,000
Add. paid-in capital	288,843	288,843
Retained earnings	3,336,392	2,892,679
Total Liabilities & Shareholders' Equity	$ 5,632,890	$ 5,871,714

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.125 stated value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	9.31	8.62
%Net Income to Sales	5.57	5.30
%Net Income to Equity	13.38	14.69
Sales to Inventories	14.33	23.24
Debt to Equity	0.25	0.37
Working Capital	$ 3,438,078	$ 3,076,613
Current Ratio	2.76	2.17
Shareholders' Equity	$ 3,675,424	$ 3,231,711

Chase Corporation

(formerly Columbia Chase Corporation)

Forbes Business Center, Suite 200
220 Forbes Road
Braintree, Massachusetts 02184
(617) 848-2810
FAX: (617) 843-9639

Officers: Nikit Ordjanian, chairman of the board; Wilfred W. Carter, president, treasurer, and chief executive & financial officer; Peter R. Chase, v.p. & chief operating officer; George M. Hughes, clerk.

Directors: Nikit Ordjanian, chairman; Edward L. Chase, Francis M. Chase, George M. Hughes, James D. O'Donnell, Francis M. McGrory, Wilfred W. Carter, William H. Dykstra.

Areas of Work: Manufactures energy-related products such as dielectric insulation for electrical power cables protective tapes and coatings for underground gas and oil lines and humidity-resistant coatings for electronic components and printed circuitry. Other operations include custom compounding and mixing of rubber and plastics.

Divisions:

Chase & Sons
19 Highland Avenue
Randolph, Massachusetts 02368
(617) 963-2600
Cable tapes for use in electrical wires and cables, telephone and communication cables, shipboard, Navy and missile cables. Protective tape coatings for corrosion prevention on underground oil, gas and petroleum pipelines. Electrical tapes for utilities and contractors. Flexible electrical insulation and wallboard seams tapes.

Avon Custom Mixing
55 High Street
Holbrook, Massachusetts 02343
(617) 767-0511
Custom volume mixing of rubber and other compounds supplying the commercial market and corporate internal use.

HumiSeal
26-60 Brooklyn-Queens Expressway West
Woodside, New York 11377
(718) 932-0800
Produces conformal liquid protective coatings for electronics and printed circuitry, also solder masks and potting compounds.

Royston Laboratories
128 First Street
Pittsburgh, Pennsylvania 15238
(412) 828-1500
Produces and sells materials to prevent corrosion on underground pipelines and other metal surfaces and to protect wood and concrete surfaces, also bridge expansion joints.

Fuel Technology Systems
Forbes Business Center, Suite 200
Braintree, Massachusetts 02184
(617) 848-2813
Combustion equipment and alternate fuels.

Subsidiary:

Chase Export Corporation
Barbados, West Indies
Foreign Sales Corporation (FSC).

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza
New York, New York 10081

Stock Exchange(s): Boston

Ticker Symbol: CTE

Number of Employees:

1989	149
1988	152
1987	186
1986	191
1985	184

Plant Footage:

1989	325,000 sq.ft.
1988	325,000
1987	325,000
1986	325,000
1985	325,000

Sales & Earnings

	Revenues +	Net Income †
1989	$ 26,022,865	$ 708,892
1988	27,416,968	(2,810,797)
1987	25,437,468	37,084
1986	24,036,510	166,651
1985	22,397,124	441,043

	No. of Com. Shares #	Earn. per Share #†
1989	3,874,959	$ 0.18
1988	3,877,331	—
1987	3,891,203	0.01
1986	3,879,806	0.04
1985	3,887,964	0.11

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $179,359 ($0.04 per share) in 1985 and extraordinary loss of $2,608,374 in 1988.
† Including extraordinary gains of $2,608,374 in 1988, $179,359 ($0.04 per share) in 1985 and $202,920 ($0.05 per share) in 1984.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 3,297,268	$ 0.85
1988	2,588,376	0.67
1987	5,423,927	1.39
1986	5,386,843	1.39
1985	5,220,192	1.34

+ Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Aug. 31	1989	1988
Net sales	$ 25,578,716	$ 27,095,922
Other income	444,149	321,046
Total income	$ 26,022,865	$ 27,416,968
Cost of sales	17,646,686	19,640,565
Expenses	6,792,825	7,360,596
Interest expense	348,532	412,264
Income bef. taxes	$ 1,234,822	$ 3,543
Income taxes	525,930	205,966
Net Income (Loss)	$ 708,892	$ (202,423)
Extraord. loss	—	(2,608,374)
Net Income (Loss) & extraord. loss	$ 708,892	$ (2,810,797)

* Included in Costs and Expenses, Depreciation and Amortization: $621,708 in 1989 and $626,894 in 1988.

Assets

As of Aug. 31	1989	1988
Cash	$ 45,429	$ 315,448
Receiv., net	4,217,321	4,763,903
*Inventories	2,469,853	2,725,861
Prepaid expenses & other assets	260,758	335,219
Deferred taxes	185,386	185,777
Refund. taxes	23,691	—
Current Assets	$ 7,202,438	$ 8,326,208
#Fixed assets	2,912,112	3,075,731
Other assets	1,931,013	1,759,335
Total Assets	$ 12,045,563	$ 13,161,274

Liabilities

Notes payable	$ 496,887	$ 3,255,000
Long-term debt, curr.	458,804	203,686
Accts. payable	1,600,605	1,834,890
Accruals	1,493,452	994,099
Income taxes	38,241	203,581
Deferred compensation	765,930	726,006
Curr. Liabilities	$ 4,853,919	$ 7,217,262
Long-term debt	1,582,463	720,704
Deferred compensatin	2,311,913	2,634,932
+Common stock	389,480	389,480
Add. paid-in capital	1,753,482	1,753,482
Retained earnings	1,202,529	493,637
Treasury stock	(48,223)	(48,223)
Total Liabilities & Shareholders' Equity	$ 12,045,563	$ 13,161,274

* At cost (FIFO), which is not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.83	0.01
%Net Income to Sales	2.77	—
%Net Income to Equity	21.50	—
Sales to Inventories	10.36	9.94
Debt to Equity	0.64	1.61
Working Capital	$ 2,348,519	$ 1,108,946
Current Ratio	1.48	1.15
Shareholders' Equity	$ 3,297,268	$ 2,588,376

Chelsea Industries, Inc.

(The Company went private Sept. 29, 1989.)

1360 Soldiers Field Road
Boston, Massachusetts 02135
(617) 787-9010

Officers: Ronald G. Casty, chairman of the board & president; Emil S. Bernstein, exec. v.p. & treasurer; David L. Phillips, sr. v.p.; Edward Kahn, corp. controller; Milton A. Graff, v.p.-control & administration; Robert M. Rosen, clerk; Winston Stalcup, v.p.-distribution.

Directors: Ronald G. Casty, chairman; Robert D. Buzzell, Emil S. Bernstein, David L. Phillips, James S. Shulman, Norman S. Dunn, Harold R. Logan, A.M. MacKinnon.

Divisions and Subsidiaries:

Distribution Group

RS Electronics, Inc.
Livonia, Michigan

Olive/RS Electronics
St. Louis, Missouri

Fairmont Electronic Sales Corp.
Hauppauge, New York

Broad-line distributors of industrial electronic components sold primarily to industrial organizations, OEM's and dealers. Products include semiconductors, integrated circuits, electromechanical devices (such as relays, switches, connectors, wire and cable), passive components (including resistors and capacitors) and other such related products as micro-systems, and test instruments.

Maynard Plastics, Inc.
Pittsburgh, Pennsylvania
Peabody, Massachusetts
Salem, Massachusetts 01970
(508) 744-8000

Extrudes rigid vinyl replacement window systems components. Manufactures flexible and rigid plastic profile extrusions used in applications including simulated wood trim, weather stripping, trim for luggage and automobile interiors, carriers for integrated circuits, plastic net for product bags, garment bags and high density retail merchandise bags.

Webster Industries, Inc.
Montgomery, Alabama
Macomb, Illinois
Peabody, Massachusetts 01960
(508) 532-2000

Polyethylene film for food, trash bags and other packaging requirements; plastic plates, cups and bowls.

Number of Employees:

1988	1,400	1986	1,400
1987	1,400		

Plant Footage:

1988 .... 880,000 sq. ft.

Sales & Earnings

	Net Sales	Net Income
1988	$ 188,503,000	$ (543,000)
1987*	170,744,000	1,652,000
1986	179,510,000	7,206,000
1985	184,527,000	6,423,000
1984	199,605,000	5,784,000

	No. of Com. Shares +	Earn. per Share +
1988	2,102,000	$ —
1987*	2,237,000	0.74
1986	2,589,000	2.78
1985	2,562,000	2.51
1984	2,634,000	2.20

(Loss)
* 53 weeks.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1988	1987
Plastic prods.	$ 154,563	$ 134,835
Distribution	33,940	33,058
Industrial	—	2,851
Total	$ 188,503	$ 170,744

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.72	—	—
1987	0.72	—	
1986	0.72	—	—
1985	0.705	—	—
1984	0.66	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 39,172,000	$ 18.64
1987	41,958,000	18.76
1986	56,918,000	21.98
1985	50,708,000	19.79
1984	45,724,000	17.36

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	10/1/88	10/4/87
Net sales	$ 188,503	$ 170,744
Cost of sales	137,744	116,765
Expenses	50,493	50,538
Gain on sales of bldgs.	—	(617)
Interest expense	1,076	684
Income (loss) bef. taxes	$ (810)	$ 3,374

Income taxes (credit)	(267)	1,722
Net Income (Loss)	$ (543)	$ 1,652

• Included in Costs and Expenses, Depreciation and Amortization: $3,978,000 in 1988 and $3,870,000 in 1987.

Assets
(000's)

As of	10/1/88	10/4/87
Cash	$ 4,205	$ 3,488
Accts. receiv., net	29,517	25,351
•Inventories	27,637	25,304
Prepaid expenses	3,382	2,731
Current Assets	$ 64,741	$ 56,874
#Fixed assets	24,935	25,408
Other assets	1,283	2,326
Total Assets	$ 90,959	$ 84,608

Liabilities
(000's)

Notes payable	$ 3,300	$ —
Long-term debt, curr.	795	945
Accts. payable	21,086	15,149
Accrued compensation	2,847	2,033
Other curr. liab.	2,822	1,696
Income taxes	—	2,336
Curr. Liabilities	$ 30,850	$ 22,159
Long-term debt	15,902	16,587
Deferred pension oblig.	1,006	1,121
Deferred inc. taxes	4,029	2,783
+ Common stock	3,471	3,467
Add. paid-in capital	15,651	15,428
Retained earnings	45,255	47,311
Treasury stock	(25,205)	(24,248)
Total Liabilities & Shareholders' Equity	$ 90,959	$ 84,608

• At lower of cost (FIFO) or market; plastics group at LIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	1.98
% Net Income to Sales	—	0.97
% Net Income to Equity	—	3.94
Sales to Inventories	6.82	6.75
Debt to Equity	0.51	0.42
Working Capital	$ 33,891,000	$ 34,715,000
Current Ratio	2.10	2.57
Shareholders' Equity	$ 39,172,000	$ 41,958,000

Chrysler Corporation

12000 Chrysler Drive
Highland Park, Michigan 48288-1919
(313) 956-5741
FAX: (313) 956-3747

Officers: Lee A. Iacocca, chairman of the board & chief executive officer; Gerald Greenwald, vice chairman; Robert S. Miller, Jr., exec. v.p. & chief financial officer; Thomas G. Denomme, v.p.-corp. planning & external affairs; William J. O'Brien, v.p., general counsel & secretary; Robert A. Perkins, v.p.-Washington affairs; Glenn E. White, v.p.-personnel & organization; Frederick W. Zuckerman, v.p. & treasurer; Christopher J. Steffen, v.p. & controller; Bennett E. Bidwell, chairman-Chrysler Motors Corporation; Robert A. Lutz, president-Chrysler Motors Corporation; Richard E. Dauch, exec. v.p.-manufacturing; Joseph E. Cappy, group v.p.-Jeep/Eagle Division; E. Thomas Pappert, v.p.-sales; Richard E. Acosta, v.p.-car & truck assembly operations; Ronald R. Boltz, v.p.-advance product & operations planning; Francois J. Castaing, v.p.-vehicle engineering; Theodor R. Cunningham, v.p.-service & parts operations; Thomas C. Gale, v.p.-product design; G.J. Giocondi, v.p.-quality & productivity; Michael N. Hammes, v.p.-international operations; David R. Platt, v.p.-procurement & supply; Erick A. Reickert, v.p. & managing dir.-Chrysler de Mexico, S.A.; Leroy C. Richie, v.p. & general counsel; Anthony P. St. John, v.p.-human resources; Jerome B. York, v.p. & controller, Chrysler Motors Corporation; Laurel Cutler, v.p.-consumer affairs; John B. Damoose, v.p.-Dodge Car and Truck Division; Milton W. Holcombe, president-Chrysler Technologies Airborne Systems, Inc.; John C. Stellman, v.p.-finance & planning; Robert L. Carrel, pres.-Electrospace Systems, Inc..

Directors: Lee A. Iacocca, chairman; Lilyan H. Affinito, Bennett E. Bidwell, Owen F. Bieber, Anthony J.A. Bryan, Joseph A. Califano, Jr., A. Jean de Grandpre, Gerald Greenwald, Ronald H. Grierson, John H. Johnson, Juanita M. Kreps, Robert J. Lanigan, Robert A. Lutz, Peter A. Magowan, Robert S. Miller, Jr., William G. Milliken, Allen E. Paulson, Malcolm T. Stamper, J. Paul Sticht, Joseph E. Antonini.

Areas of Work: Manufactures, assembles and markets cars, trucks, jeeps, and related automotive parts and accessories, defense and space products, outboard motors, inboard marine engines and industrial engines, power metal products and chemical products.

Subsidiaries:

Chrysler Automotive Operations, Inc.
Chrysler Motors Corporation
Acustar, Inc.
American Motors Corporation
Automotive Financial Services, Inc.
Chrysler International Corporation
Chrysler Canada Ltd. (Canada)
Chrysler International S.A. (Switzerland)
Chrysler de Mexico S.A. (Mexico)
Chrysler Pentastar Aviation, Inc.
Chrysler Financial Corporation
Jeep Eagle Corporation

Transfer Agent(s):

First Chicago Trust Company of New York
New York, New York 10007

Montreal Trust Company
Montreal and Toronto, Canada

Stock Exchange(s): New York, Midwest, Pacific, Philadephia, Montreal, Toronto, Paris, London, Frankfurt, Vienna, Geneva, Basel, Zurich, Toyko, Berlin, Munich, Amsterdam, Luxembourg

Ticker Symbol: C (New York)

Number of Employees:

1989	121,947	1986	115,074
1988	145,000	1985	107,850
1987	122,745		

Plant Footage: *

1989	N.A.	1986	58,283,100
1988	77,131,500 sq. ft.	1985	57,092,500
1987	77,622,300		

• In United States only.
N.A.- Not Available

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 30,785,000	$ 1,050,000
1988	30,522,000	1,050,000
1987	25,291,000	1,290,000
1986	21,937,000	389,000
1985	21,025,000	1,610,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	232,335,000	$ 1.55
1988	225,112,000	4.66
1987	218,612,000	5.90
1986	222,324,000	6.25
1985	261,426,000	6.16

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1989	1988
Car & truck	$ 30,987,000	$ 30,804,000
Financial services	4,079,000	3,485,000
Total	$ 34,922,000	$ 34,148,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 1.20	—	—
1988	1.00	—	
1987	1.00	—	—
1986	0.80	—	3-for-2
1985	0.44	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 7,233,000	$ 31.13
1988	7,582,000	33.68
1987	6,503,000	29.75
1986	5,281,000	23.75
1985	4,166,000	15.94

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 30,567,000	$ 30,526,000
Fin. services & other inc.	4,355,000	3,622,000
Total income	$ 34,922,000	$ 34,148,000
Cost of sales	26,629,000	25,923,000
Expenses	2,576,000	2,376,000
Depreciation & amortization	1,341,000	1,146,000
Pension expense	551,000	580,000
Interest expense	2,845,000	2,451,000
Gain on eq. invest. trans.	(503,000)	(85,000)
Restruc. charges	931,000	150,000
Inc. bef. taxes	$ 552,000	$ 1,607,000
Income taxes	237,000	604,000
Inc.-cont. oper.	$ 315,000	$ 1,003,000
Inc.-discont. oper.	44,000	47,000
Net Income	$ 359,000	$ 1,050,000

Assets
(000's)

As of Dec. 31	1989	1988
Cash & time deposits	$ 1,269,000	$ 1,643,000
Marketable securities	1,295,000	1,612,000
Finance & accts. receiv.	27,780,000	27,466,000
*Inventories	2,890,000	2,473,000
#Fixed assets	6,623,000	6,519,000
Special tools	2,487,000	2,465,000
Intangibles	4,416,000	2,123,000
Other assets	3,094,000	2,769,000
Net assets-discont. oper.	1,184,000	1,140,000
Total Assets	$ 51,038,000	$ 48,210,000

Liabilities
(000's)

	1989	1988
Short-term debt	$ 10,544,000	$ 10,511,000
Accts. payable & accruals	11,209,000	8,968,000
Long-term debt	17,002,000	16,629,000
Other liabilities	3,246,000	2,411,000
Deferred inc. taxes	1,429,000	1,809,000
Minority interest	375,000	300,000
+Common stock	245,000	245,000
Add paid-in capital	2,369,000	2,376,000
Retained earnings	5,229,000	5,358,000
Treasury stock	(610,000)	(397,000)
Total Liabilities & Shareholders' Equity	$ 51,038,000	$ 48,210,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	4.96	13.85
Sales to Inventories	10.58	12.34
Debt to Equity	3.81	3.58
Shareholders' Equity	$ 7,233,000,000	$ 7,582,000,000

Cincinnati Milacron Inc.

4701 Marburg Avenue
Cincinnati, Ohio 45209
(513) 841-8100
FAX: (513) 841-8991

Officers: James A. D. Geier, chairman; Daniel J. Meyer, president & chief executive officer; David E. Noffsinger, sr. v.p.-plastics machinery; Alan L. Shaffer, group v.p.-specialty products; Christopher C. Cole, group v.p.-machine tool products; Raymond E. Ross, sr. v.p.-industrial systems; D. Michael Clabaugh, v.p.-advanced systems; Theodore Mauser, v.p.-human resources; Richard C. Messinger, v.p. & chief technical officer; William E. Buchholz, v.p.-finance; Robert P. Lienesch, controller; Wayne F. Taylor, secretary & corp. counsel; Ronald D. Brown, treasurer & asst. secretary.

Directors: James A. D. Geier, chairman; Neil A. Armstrong, Edward W. Asplin, Thomas D. Bell, Jr., Clark Daugherty, Lyle J. Everingham, Donald N. Frey, Mary L. Good, Gilbert Geier McCurdy, Daniel J. Meyer, Joseph A. Steger, C. Lawson Reed.

Areas of Work: Engaged in the design, manufacture and sale of process equipment and systems for industry and of supplies and accessories generally sold for use in such systems. The Company has three principal segments of business: machine tools, plastics processing machinery and industrial specialty products. Industrial systems includes standard and special purpose metalcutting machine tools such as computer numerically controlled machining and turning centers and profiling machines, general purpose and production milling machines, composite material and tape-laying machines, contouring machines, computer-controlled cells and systems, electronic machine controls and robots used in the aircraft, automotive and off-the- road industries. Plastics machinery products include plastics injection molding machines, multiple screw plastics extrusion machines, blow-molded plastics bottle machines, and auxiliary equipment used in the bottling , automotive, medical, packaging and construction industries. Specialty products includes various types of grinding machines and wheels, metalworking fluids and coordinate measurement and inspection systems.

Machine tool products include standard and special purpose metalcutting machine tools such as computer numerically controlled machining and turning centers and profiling machines, various types of grinding machines, general purpose and production milling machines, composite material and tape laying machines, contouring machines, and computer-controlled flexible manufacturing cells and systems, used in the aircraft, automotive, and off-the-road industries.

Plastic processing machinery products include plastics injection molding machines, multiple screw plastics extrusion machines, blow molded plastics bottle machines, plastics thermoforming machines, reaction injection molding machines and support equipment used in the bottling, automotive, medical and construction industries.

Industrial specialty products include robots, grinding wheels, metalworking fluids, silicon epitaxial wafers, electronic control systems, coordinate measurement and inspection systems, and industrial lasers.

Subsidiaries:

Cincinnati Milacron Marketing Co.

Amertool Services, Inc.

Cincinnati Milacron International Marketing Company

Coge AG (Switzerland)

Cincinnati Milacron Holding Gesellschaft mbH (Austria)

Cincinnati Milacron Austria Aktiengesselschaft

Cincinnati Milacron Handelsgesellschaft mbH (Austria)

Cincinnati Milacron U.K. Holdings Co.

Cincinnati Milacron Ltd.

Cincinnati Milacron U.K. Ltd.

LK Tool Ltd.

Chesapeake Laser Systems, Inc.

LK Tool USA Inc.

Cincinnati Milacron Assurance Ltd.

Cincinnati Milacron B.V. (Netherlands)

Cincinnati Milacron, Grinding Center Europe B.V.

Cimcool Industrial Products B.V.

Cincinnati Milacron-Canada Ltd.

Cincinnati Milacron Commercial Corp.

Cincinnati Milacron Foreign Sales Corp. (Virgin Islands)

Cincinnati Milacron-Heald Corp.

Cincinnati Milacron S.r.l. (Italy)

The Factory Power Company

Sano Inc.
Passaic, New Jersey
Manufactures equipment to produce thin plastic films, which are used as packaging materials.

Transfer Agent(s):

Mellon Bank, N.A.
Four Station Square
Pittsburgh, Pennsylvania 15219-1173

Stock Exchange(s): New York, Cincinnati, Boston, Midwest

Ticker Symbol: CMZ

Number of Employees:

1989	7,683	1986	9,483
1988	8,293	1985	9,568
1987	9,156		

Plant Footage:

1989	4,800,000 sq. ft.	1986	5,300,000
1988	4,900,000	1985	5,500,000
1987	5,200,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income #
1989	$ 850,614,000	$ 17,368,000
1988	850,794,000	37,089,000
1987	823,875,000	(79,973,000)
1986	844,703,000	23,328,000
1985	732,152,000	(44,767,000)

	No. of Com. Shares	Earn. per Share #‡
1989	24,327,272	$ 0.70
1988	24,202,281	1.52
1987	24,116,133	—
1986	23,598,643	0.98
1985	23,449,293	—

(Loss)
# Including extraordinary gains of $5,712,000 ($0.23 per share) in 1989 and $12,114,000 ($0.50 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Industrial systems	$ 424,100,000	$ 418,600,000
Plastics machinery	287,100,000	263,600,000
Specialty products	139,400,000	168,600,000
Total	$ 850,600,000	$ 850,800,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.72	—	—
1988	0.72	—	
1987	0.72	—	—
1986	0.72	—	—
1985	0.72	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1989	$ 220,579,000	$ 9.07
1988	221,291,000	9.14
1987	208,895,000	8.66
1986	283,143,000	12.00
1985	262,427,000	11.19

† After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 850,614	$ 850,794
Other income	7,382	4,003
Total income	$ 857,996	$ 854,797

Cost of sales	649,283	637,324
Expenses	151,065	149,396
Interest expense	22,460	22,048
Income before taxes	$ 35,188	$ 46,029
Income taxes	16,745	19,595
Inc.-cont. oper.	$ 18,443	$ 26,434
Loss-discont. oper.	(6,787)	(1,459)
Net Income	$ 11,656	$ 24,975
Extraord. gain	5,712	12,114
Net Income (Loss) & extraord. gain	$ 17,368	$ 37,089

• Included in Costs and Expenses, Depreciation: $22,911,000 in 1989 and $24,977,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash & market secur.	$ 32,894	$ 17,868
Notes & accts. receiv., net	198,512	235,823
•Inventories	249,642	254,070
Other curr. assets	18,160	20,155
Curr. Assets	$ 499,208	$ 527,916
#Fixed assets	146,478	152,683
Other assets	40,484	40,881
Total Assets	$ 686,170	$ 721,480

Liabilities
(000's)

Amts. payable to banks	$ 13,604	$ 15,902
Long-term debt, curr.	16,080	4,386
Accts. payable	65,385	80,723
Adv. billings	37,956	35,224
Accruals	93,546	106,459
Income taxes	13,580	15,837
Curr. Liabilities	$ 240,151	$ 258,531
Long-term debt	165,831	182,122
Long-term accrued liab.	42,148	42,171
Deferred inc. taxes	11,461	11,365
+Preferred stock	6,000	6,000
++Common stock	24,327	24,202
Add. paid-in capital	90,360	88,968
Retained earnings	111,992	112,376
For. curr. trans. adjust.	(6,100)	(4,255)
Total Liabilities & Shareholders' Equity	$ 686,170	$ 721,480

• At lower of cost or market. U.S. inventories at LIFO; average or standard cost for foreign.
# Less accumulated depreciation and amortization.
+ $100 par value; 4% cumulative.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.14	5.10
%Net Income to Sales	2.17	2.91
%Net Income to Equity	8.14	10.99
Sales to Inventories	3.41	3.38
Debt to Equity	0.86	0.89
Working Capital	$ 259,057,000	$ 269,385,000
Current Ratio	2.08	2.04
Shareholders' Equity	$ 226,579,000	$ 227,291,000

Ciprico Inc.

2955 Xenium Lane
Plymouth, Minnesota 55441
(612) 559-2034
FAX: (612) 559-8799

Officers: Ronald B. Thomas, chairman of the board; Robert H. Kill, president & chief executive officer; Keith M. Stuessi, v.p.-marketing & sales.

Directors: Ronald B. Thomas, chairman of the board; Robert H. Kill, Sherman J. Kemmer, Douglas M. Pihl, Donald H. Soukup.

Areas of Work: Designs, manufactures and markets high-performance disk and tape controller boards for the microcomputer original equipment manufacturer market.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPCI (NASDAQ)

Number of Employees:

1989	85	1987	80
1988	82	1986	80

Plant Footage:

1989	37,000 sq. ft.	1987	37,000
1988	37,000	1986	37,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 11,009,721	$ (14,522)
1988	11,601,146	1,277,334
1987	8,272,559	(746,694)
1986	10,059,584	858,840
1985	8,171,392	821,208

	No. of Com. Shares ‡	Earn. per Share ‡
1989	1,994,919	$ —
1988	2,033,327	0.63
1987	2,169,550	—
1986	2,255,165	0.38
1985	2,263,944	0.36

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	—	11-for-10

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 9,451,073	$ 4.74
1988	9,813,753	4.83
1987	9,016,031	4.16
1986	10,635,445	4.72
1985	9,753,265	4.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 11,009,721	$ 11,601,146
Cost of sales	4,768,881	4,098,123
Expenses	6,874,466	5,971,454
Interest expense	3,928	4,456
Interest income	(549,228)	(418,932)
Other expense (income)	(64,804)	32,711
Income (loss) before taxes	$ (23,522)	$ 1,913,334
Income taxes (credit)	(9,000)	636,000
Net Income (Loss)	$ (14,522)	$ 1,277,334

• Included in Costs and Expenses, Depreciation and Amortization: $455,460 in 1989 and $507,975 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 2,315,738	$ 2,519,150
Temp. cash invest.	—	4,065,878
Accts. receiv., net	2,339,879	1,604,297
Refundable taxes	5,611	—
Other receivables	116,180	76,054
• Inventories	1,091,098	1,319,891
Deferred inc. tax benefits	81,000	67,000
Other curr. assets	80,564	71,760
Current Assets	$ 9,030,070	$ 9,724,030
# Fixed assets	1,338,865	1,098,706
Other assets	27,864	37,397
Total Assets	$ 10,396,799	$ 10,860,133

Liabilities

Accts. payable	$ 594,925	$ 272,598
Accrued compensation	184,309	313,571
Income taxes pay.	—	303,508
Other accruals	142,292	73,703
Curr. Liabilities	$ 921,526	$ 963,380
Deferred inc. taxes	24,200	83,000
+ Common stock	19,982	19,688
Add. paid-in capital	5,656,135	5,607,944
Retained earnings	3,774,956	4,186,121
Total Liabilities & Shareholders' Equity	$ 10,396,799	$ 10,860,133

• At lower of cost (FIFO) or replacement cost.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	16.49
%Net Income to Sales	—	11.01
%Net Income to Equity	—	13.02
Sales to Inventories	10.17	8.79
Working Capital	$ 8,108,544	$ 8,760,650
Current Ratio	9.80	10.09
Shareholders' Equity	$ 9,451,073	$ 9,813,753

Clary Corporation

320 West Clary Avenue
San Gabriel, California 91776
(818) 287-6111
FAX: (818) 286-7216

Officers: John G. Clary, chairman; Donald G. Ash, president, chief exec. officer & treasurer; Paul Hurder, mgr.-Construction Automation Division; John J. Guerin, secretary; John P. Clary, assistant secretary.

Directors: John G. Clary, chairman; Donald G. Ash, John P. Clary, John J. Guerin, Harland W. Gerds, Jack Toppell.

Areas of Work: Manufactures and markets uninterruptible power systems; and cutting and assembly machinery and metal connector plates for use in the production of housing components.

Divisions:

Precision Instruments Division
320 West Clary Avenue
San Gabriel, California 91776

Construction Automation Division
1801 S. Great Southwest Parkway
Grand Prairie, Texas

Clary Corporation

Transfer Agent(s):

First Interstate Bank
Los Angeles, California

Stock Exchange(s): Pacific

Ticker Symbol: CLY

Number of Employees:

1989	130	1987	120
1988	130		

Plant Footage:

1989 .... 171,000 sq. ft. 1988 171,000

Sales & Earnings

		Net Sales †		Net Income +
1989	$	16,229,000	$	(199,000)
1988		15,047,000		(153,000)
1987		13,735,000		231,000
1986		11,429,000		(754,000)
1985		11,437,000		(159,000)

	No. of Com. Shares ‡		Earn. per Share +‡
1989	1,784,198	$	—
1988	1,784,198		—
1987	1,780,198		0.13
1986	1,768,198		—
1985	1,767,997		—

(Loss)
† Includes other income.
+ Including extraordinary gain of $85,000 ($0.05 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalent outstanding.

Revenues By Line of Business

		1989		1988
Precision instruments	$	7,890,000	$	6,801,000
Construction machinery		8,339,000		8,251,000
Corporate		—		(5,000)
Total	$	16,229,000	$	15,047,000

Common Stock Equity

		Total Equity †		Equity Per Share ‡
1989	$	2,119,000	$	1.19
1988		2,321,000		1.30
1987		2,477,000		1.39
1986		2,239,000		1.27
1985		2,996,000		1.69

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31		1989		1988
Net sales	$	16,228,000	$	15,029,000
Other income		1,000		18,000
Total income	$	16,229,000	$	15,047,000
Cost of sales		11,794,000		10,461,000
Eng. & prod. develop.		1,122,000		1,248,000
Selling expense		2,499,000		2,503,000
Gen. & adm. expense		704,000		711,000
Interest expense		309,000		276,000
Loss bef. taxes	$	(199,000)	$	(152,000)
Income taxes		—		1,000
Net Loss	$	(199,000)	$	(153,000)

* Included in Costs and Expenses, Depreciation and Amortization: $294,000 in 1989 and $310,000 in 1988.

Assets

As of Dec. 31		1989		1988
Cash	$	126,000	$	78,000
Accts. receiv., net		2,328,000		2,147,000
*Inventories		2,371,000		2,440,000
Prepaid expenses		212,000		107,000
Current Assets	$	5,037,000	$	4,772,000
#Fixed assets		815,000		924,000
Other assets		192,000		51,000
Total Assets	$	6,044,000	$	5,747,000

Liabilities

		1989		1988
Notes payable	$	1,192,000	$	1,291,000
Long-term debt, curr.		152,000		182,000
Accts. payable & accruals		1,694,000		1,251,000
Accrued payroll		239,000		219,000
Customer deposits		68,000		35,000
Curr. Liabilities	$	3,345,000	$	2,978,000
Long-term debt		216,000		72,000
Convert. subord. debt		290,000		290,000
Deferred income		18,000		30,000
+Preferred stock		56,000		56,000
++Common stock		2,485,000		2,485,000
Add. paid-in capital		5,106,000		5,106,000
Accum. deficit		(5,472,000)		(5,270,000)
Total Liabilities & Shareholders' Equity	$	6,044,000	$	5,747,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $5 par value; 5.50% cumulative convertible.
++ $1 par value.

Statistical Summary

		1989		1988
Sales to Inventories		6.84		6.16
Debt to Equity		0.85		0.77
Working Capital	$	1,692,000	$	1,794,000
Current Ratio		1.51		1.60
Shareholders' Equity	$	2,175,000	$	2,377,000

CMX Corporation

(Acquired by Chyron Corporation on January 31, 1989.)

2230 Martin Avenue
Santa Clara, California 95050
(408) 988-2000

Officers: Alfred O.P. Leubert, chairman & chief exec. officer; Lawrence Weiland, president & chief operating officer; Stanley D. Becker, v.p.-engineering; Richard G. Canfield, v.p.-operations; Craig M. Hutchison, treasurer, controller & secretary; Richard Sirinsky, v.p.-marketing & sales.

Directors: Michael H. Gault, Alfred O.P. Leubert, Lawrence Weiland, Leon Weissman.

Areas of Work: Engaged in the design, manufacture and installation of computer-assisted video, film and audio editing systems for network television facilities, educational and commercial television stations, governmental agencies, and post-production facilities that provide editorial services in support of television broadcast operations.

Number of Employees:

1988 .... 113 1987 102

Plant Footage:

1988 .... 33,000 sq. ft. 1987 33,000

Sales & Earnings

		Net Sales +		Net Income +
1988	$	10,206,000	$	(980,000)
1987		12,119,000		1,077,000
1986		10,079,000		541,000
1985*		4,554,000		(1,012,000)
1984		9,716,000		(2,260,000)

	No. of Com. Shares	—	Earn. per Share †
1988	11,793,000	$	—
1987	7,994,000		0.143
1986	5,793,000		0.112
1985*	3,793,000		—
1984	[illegible]		—

(Loss)
* 6 months.
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1988	$	5,949,000	$	0.50
1987		4,599,000		0.58
1986		2,372,000		0.41
1985		1,044,000		0.11
1984		2,004,000		0.53

Income Account *

Year ended Dec. 31		1988		1987
Net sales	$	10,206,000	$	12,119,000
Cost of sales		5,197,000		5,304,000
Expenses		5,629,000		5,273,000
Interest expense		360,000		351,000
Income (loss) bef. taxes	$	(980,000)	$	1,191,000
Income taxes		—		114,000
Net Income (Loss)	$	(980,000)	$	1,077,000

* Included in Costs and Expenses, Depreciation and Amortization: $264,000 in 1988 and $316,000 in 1987.

Assets

As of Dec. 31		1988		1987
Cash	$	62,000	$	250,000
Accts. receiv., net		3,501,000		4,089,000
*Inventories		5,059,000		3,891,000
Prepaid expenses		148,000		187,000
Current Assets	$	8,770,000	$	8,417,000
Net invest. in sales-type lease		—		424,000
Def. payment plan receiv.		1,682,000		—
#Fixed assets		595,000		563,000
Def. software develop. costs		1,078,000		714,000
Other assets		302,000		178,000
Total Assets	$	12,427,000	$	10,296,000

Liabilities

		1988		1987
Notes payable	$	2,775,000	$	1,250,000
Accts. payable		1,852,000		1,813,000
Accruals		821,000		621,000
Accrued salaries and wages		250,000		307,000
Long-term debt, curr.		201,000		474,000
Curr. Liabilities	$	5,899,000	$	4,465,000
Long-term debt		162,000		1,232,000
Def. inc. of joint venture		417,000		—
+Common stock		17,409,000		15,079,000
Accumulated deficit		(11,460,000)		(10,480,000)
Total Liabilities & Shareholders' Equity	$	12,427,000	$	10,296,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.83
%Net income to Sales	—	6.16
%Net Income to Equity	—	16.22
Sales to Inventories	2.02	3.11
Debt to Equity	0.53	0.64
Working Capital	$ 2,871,000	$ 3,952,000
Current Ratio	1.49	1.89
Shareholders' Equity	$ 5,949,000	$ 4,599,000

Cognitronics Corporation

25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
FAX: (203) 327-2[illegible]2

Officers: David H. Shepard, chairman. sr. v.p. & chief scientific officer; Matthew J. Flanigan, president & chief executive officer; D. Clark Murphy, v.p.-gov't & OEM sales; Gerard Insolia, v.p.-engineering; Alton B. Duncanson, v.p.-support services; Garrett Sullivan, treasurer & chief financial officer; Harold F. Mayer, v.p.-administration, secretary & treasurer; Vincent J. Harrison, Jr., v.p.-SPEECHMAKER sales.

Directors: David H. Shepard, chairman; Edward J. Gushue, Richard K. Van Nostrand, Edward S. Davis, Matthew J. Flanigan, Timothy P. Murphy, Ralph N. Palermo.

Areas of Work: The Company operates in two principal industries: computer related products and services, and manufacture of machined parts. The Company's computer related products and services division manufactures and markets Optical Character Recognition and Mark Read (OCR/OMR) equipment and voice response devices. The Company's machined parts division manufactures precision machined parts for the Company's computer related products and services division as well as other manufacturers. This includes the design and development of special tools, dies, and prototype parts, and the volume production of precision parts.

Divisions and Subsidiaries:

Scanning Systems Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Speechmaker Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
Manufactures and markets hardware that allows telephone companies central offices and computers to provide direct voice response of the data retained in their stored memories.

Stamford Tool & Die-Customatic, Inc.
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
Manufactures machine parts and designs and develops special tools, dies, and phototype parts with heavy emphasis on high tolerance precision works.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: CGN

Number of Employees:

1989	150	1986	185
1988	140	1985	211
1987	142		

Plant Footage:

1989	51,300 sq. ft.	1986	63,800
1988	51,300	1985	88,860
1987	50,400		

Sales & Earnings

	Revenues +	Net Income †
1989	$ 16,576,000	$ 839,000
1988	14,539,000	(509,000)
1987	15,930,000	632,000
1986	12,288,000	(2,902,000)
1985	15,001,000	(331,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	2,187,942	$ 0.37
1988	2,160,133	—
1987	2,156,503	0.29
1986	2,154,461	—
1985	2,145,057	—

(Loss)

+ Includes net sales, rentals and other income; of continuing operations only.

† Including extraordinary gains of $273,000 ($0.12 per share) in 1989 and $299,000 ($0.14 per share) in 1987.

‡ Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Computer prods. & services:		
Voice processing	$ 10,168,000	$ 6,714,000
Scanning systems	3,215,000	4,237,000
Machined parts	3,193,000	3,588,000
Total	$ 16,576,000	$ 14,539,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 7,879,000	$ 3.60
1988	7,046,000	3.26
1987	7,546,000	3.50
1986	6,908,000	3.21
1985	9,782,000	4.56

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 15,268,000	$ 13,194,000
Service & rental	1,308,000	1,345,000
Total income	$ 16,576,000	$ 14,539,000
Cost of sales & service	11,094,000	10,148,000
Expenses	4,579,000	4,353,000
Interest expense (income)	(12,000)	137,000
Inc. (loss) bef. taxes	$ 915,000	$ (99,000)
Income taxes	349,000	14,000
Inc. (loss)-cont. oper.	$ 566,000	$ (113,000)
Loss-discont. oper.	—	(396,000)
Net Income (Loss)	$ 566,000	$ (509,000)
Extraord. gain	273,000	—
Net Income (Loss) & extraord. gain	$ 839,000	$ (509,000)

* Included in Costs and Expenses, Depreciation $546,000 in 1989 and $532,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,013,000	$ 274,000
Accts. receiv., net	2,576,000	2,594,000
*Inventories	3,269,000	3,978,000
Other curr. assets	361,000	312,000
Current Assets	$ 7,219,000	$ 7,158,000
#Fixed assets	2,017,000	2,262,000
Other assets	250,000	319,000
Total Assets	$ 9,486,000	$ 9,739,000

Liabilities

	1989	1988
Notes payable	$ —	$ 950,000
Long-term debt, curr.	8,000	84,000
Accts. payable	640,000	872,000
Accrued payroll	548,000	478,000
Income taxes pay.	10,000	—
Other accruals	394,000	235,000
Curr. Liabilities	$ 1,600,000	$ 2,619,000
Long-term debt	7,000	74,000
+Common stock	442,000	433,000
Add. paid-in capital	13,059,000	12,930,000
Deficit	(5,478,000)	(6,317,000)
Treasury stock	(144,000)	—
Total Liabilites & Shareholders' Equity	$ 9,486,000	$ 9,739,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.99	—
%Net Income to Sales	3.71	—
%Net Income to Equity	7.18	—
Sales to Inventories	4.67	3.32
Debt to Equity	—	0.16
Working Capital	$ 5,619,000	$ 4,539,000
Current Ratio	4.51	2.73
Shareholders' Equity	$ 7,879,000	$ 7,046,000

Coherent, Inc.

3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303-0811
(415) 493-2111
FAX: (415) 493-1566

Officers: James L. Hobart, chairman of the board & chief exec. officer; Henry E. Gauthier, president & chief operating officer; Robert J. Quillinan, v.p. & chief financial officer; Robert M. Gelber, v.p. & gen. mgr.-Components Group; Thomas M. Brunner, v.p. & gen. mgr.-Medical Group; Leonard C. DeBenedictis, v.p. & gen. mgr.-Laser Group; Franz T. Schulte, v.p.-human resources; Lawrence W. Sonsini, secretary; Dennis Bucek, treasurer & asst. secretary; John H. Hubbard, v.p. & general manager- Coherent General Group.

Directors: James L. Hobart, chairman; Franklin P. Johnson, Jr., Henry E. Gauthier, Charles W. Cantoni, Thomas Sloan Nelsen, Frank Carrubba.

Areas of Work: Design, manufacture and sale of commercial lasers, optics, accessories, and laser-based products for medical, construction, scientific and industrial markets.

Divisions and Subsidiaries:

Medical Group
3270 W. Bayshore Road
P.O. Box 10122
Palo Alto, California 94303
(415) 858-2250
Develops, manufactures and markets laser instruments used for ophthalmology and other medical specialities.

Components Group
2301 Lindbergh Street
Auburn, California 95603
(916) 823-9550

Manufactures optics and thin-film coatings, which consist of mirrors and lenses used for imaging and directing laser beams, laser accessories, such as power meters and spectrum analyzers, and electro-optical components.

Laser Group
3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303
(415) 493-2111

Manufactures ion, excimer and dye lasers for the scientific, industrial and OEM markets.

Lambda Physik GmbH
Postfach 2663
Hans Boeckler Strasse 12
D-3400 Gottingen, West Germany
(0551) 6938-0

Develops and manufactures excimer, CO2, and pulsed dye lasers.

Coherent General Japan Co., Ltd.
3-42-13 Minami-Otsuka
Toshima-Ku, Japan
(0)435-90-9755

Coherent General, Inc.
1 Picker Road
Sturbridge, Massachusetts 01566
(508) 347-2681

Develops and manufactures industrial laser products used in production applications in the automotive, electronics, aerospace and consumer industries.

Coherent (UK) Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4FR, England
(0) 223 420501

Coherent General Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4FR, England
(0) 223 420501

Coherent GmbH
Senefelder Street 10
D-6074 Rodermark 2
Ober-Roden, West Germany
(06074) 914-0

Lambda Physik
298 Great Road
Acton, Massachusetts 01720
(508) 263-1100

Coherent Kowa, Ltd. (50%-owned)
24-3, Nishi-Hashimoto-1-chome
Sagimahara-shi, Kanagawa-ken, Japan
(0427) 71-1671

Laser Applications Ltd.
Gothenburg Way
Stockholm Road, Sutton Fields Ind. Estate
Hull, No. Humberside HU8 OYE, England
(0482) 831154

Manufactures carbon dioxide (CO2) surgical lasers and transversely excited atmospheric (TEA) CO2 laser marking systems.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COHR (NASDAQ)

Number of Employees:

1989	1,664	1986	1,392
1988	1,698	1985	1,523
1987	1,617		

Plant Footage:

1989	486,400 sq. ft.	1987	444,900
1988	486,400	1986	362,100

Sales & Earnings

	Net Sales	Net Income
1989	$ 201,649,000	$ 8,561,000
1988	188,115,000	(1,321,000)
1987	159,024,000	(2,325,000)
1986	138,158,000	(873,000)
1985	131,680,000	7,431,000

	No. of Com. Shares	Earn. per Share #
1989	8,912,000	$ 0.94
1988	8,516,000	—
1987	8,129,000	—
1986	7,928,000	—
1985	7,820,000	0.92

(Loss)
# Based on weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electro-optical prods.	$ 97,867,000	$ 94,404,000
Industrial prods.	52,999,000	35,443,000
Medical prods.	65,828,000	64,726,000
Intersegment sales	(15,045,000)	(6,458,000)
Total	$ 201,649,000	$ 188,115,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 94,835,000	$ 10.64
1988	83,112,000	9.76
1987	82,493,000	10.15
1986	82,921,000	10.46
1985	80,418,000	10.28

Income Account*

Year ended	9/30/89	10/1/88
Net sales	$ 201,649,000	$ 188,115,000
Cost of sales	116,322,000	117,357,000
Expenses:		
Res. & develop.	21,268,000	19,670,000
Sell., gen. & adm.	51,688,000	49,680,000
Restructuring	—	1,887,000
Other income	(4,986,000)	(2,896,000)
Income before taxes	$ 17,357,000	$ 2,417,000
Income taxes	8,796,000	3,738,000
Net Income (Loss)	$ 8,561,000	$ (1,321,000)

* Included in Costs and Expenses, Depreciation and Amortization: $7,284,000 in 1989 and $7,017,000 in 1988.

Assets

As of	9/30/89	10/1/88
Cash & cash equiv.	$ 9,568,000	$ 12,603,000
Short-term invest.	12,034,000	1,248,000
Accts. receiv., net	50,467,000	48,412,000
*Inventories	41,468,000	39,598,000
Prepaid expenses	1,661,000	1,435,000
Deferred inc. taxes	5,642,000	5,881,000
Current Assets	$ 120,840,000	$ 109,177,000
#Fixed assets	27,796,000	29,153,000
Goodwill	8,184,000	10,109,000
Other assets	5,473,000	5,525,000
Total Assets	$ 162,293,000	$ 153,964,000

Liabilities

Notes payable	$ 6,187,000	$ 14,158,000
Long-term debt, curr.	695,000	633,000
Accts. payable	9,382,000	9,580,000
Inc. taxes payable	2,639,000	1,859,000
Accruals	7,703,000	9,482,000
Accrued payroll	9,487,000	7,773,000
Customer deposits	3,900,000	2,997,000
Reserve for warranty	6,815,000	7,098,000
Deferred serv. income	6,106,000	5,292,000
Current Liabilities	$ 51,914,000	$ 58,872,000
Long-term debt	6,287,000	3,509,000
Def. gain on bldg. sale	2,705,000	3,474,000
Deferred inc. taxes	3,608,000	3,098,000
Minority interest	2,944,000	1,899,000
+Common stock	1,961,000	1,876,000
Add. paid-in capital	52,644,000	48,985,000
Notes receiv.-stock purch.	(892,000)	(552,000)
Retained earnings	39,733,000	31,172,000
Translation adj.	1,389,000	1,631,000
Total Liabilities & Shareholders' Equity	$ 162,293,000	$ 153,964,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.22 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.61	1.28
%Net Income to Sales	4.25	—
%Net Income to Equity	9.03	—
Sales to Inventories	4.86	4.75
Debt to equity	0.14	0.22
Working Capital	$ 68,926,000	$ 50,305,000
Current Ratio	2.33	1.85
Shareholders' Equity	$ 94,835,000	$ 83,112,000

Cohu, Inc.

5755 Kearny Villa Road
San Diego, California 92123-1170
(714) 277-6700
FAX: (714) 277-0221

Officers: William S. Ivans, chairman; James W. Barnes, president and chief executive officer; Charles A. Schwan, v.p.-finance.

Directors: William S. Ivans, Jack M. Keeney, Frank W. Davis, William N. Jenkins, Gene E. Leary, James W. Barnes, Charles L. Blake.

Division:

Electronics Division
5725 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Major products include broadcast and closed-circuit TV systems, color film cameras, environmental, underwater and radiation-tolerant cameras, high resolution cameras, audio and video switching systems and voltage standards.

Subsidiaries:

Broadcast Microwave Services, Inc.

Manufactures microwave radios, antenna systems and support equipment used to transmit television video and audio signals.

Delta Design, Inc.
5755 Kearny Villa Road
San Diego, California 92113
(714) 292-5000

Supplies specialized electro-mechanical test equipment to the semiconductor industry.

FRL, Incorporated
1005 I Street
Los Banos, California 93635
(209) 826-3292

Supplier of metal detection equipment and cable fault location devices and related equipment to the public utility and construction industries, and highly portable metal detectors to prospectors and hobbyists.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: COH

Number of Employees:

1989	423	1986	377
1988	361	1985	414
1987	349		

Plant Footage:

1989	142,700 sq. ft.	1987	142,700
1988	142,700	1986	142,700

Sales & Earnings

	Net Sales ‡	Net Income
1989	$ 35,252,000	$ 2,453,000
1988	33,573,000	2,746,000
1987	29,812,000	1,867,000
1986	28,774,000	522,000
1985	30,398,749	1,082,164

	No. of Com. Shares †	Earn. per Share †
1989	1,957,560	$ 1.25
1988	1,918,616	1.43
1987	1,821,105	1.03
1986	1,820,332	0.29
1985	1,793,262	0.60

‡ Includes other income; of continuing operations only.
† Based on the average number of shares outstanding.

Revenues By Line of Business

	1989	1988
Television cameras & equipment	$ 20,121,000	$ 19,745,000
Electronic test & detection apparatus	15,131,000	13,828,000
Total	$ 35,252,000	$ 33,573,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.28	—	—
1988	0.24	—	
1987	0.20	—	—
1986	0.20	—	—
1985	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 20,858,000	$ 10.68
1988	18,653,000	9.84
1987	15,935,000	8.75
1986	14,423,000	7.92
1985	14,209,127	7.90

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 35,252,000	$ 33,573,000
Interest income	168,000	57,000
Total income	$ 35,420,000	$ 33,630,000
Cost of sales	22,707,000	20,931,000
Expenses	8,910,000	8,553,000
Income before taxes	$ 3,803,000	$ 4,146,000
Income taxes	1,350,000	1,400,000
Net Income	$ 2,453,000	$ 2,746,000

* Included in Costs and Expenses, Depreciation and Amortization: $663,000 in 1989 and $658,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 2,408,000	$ 3,205,000
Accts. receiv., net	6,596,000	4,678,000
*Inventories	9,286,000	8,698,000
Prepaid expenses	223,000	290,000
Current Assets	$ 18,513,000	$ 16,871,000
#Fixed assets	5,171,000	4,897,000
Intangibles	395,000	422,000
Other assets	40,000	40,000
Total Assets	$ 24,119,000	$ 22,230,000

Liabilities

Accts. payable	$ 1,105,000	$ 1,171,000
Commissions payable	371,000	292,000
Income taxes	4,000	124,000
Accrued payroll	583,000	660,000
Accrued taxes	153,000	144,000
Other accruals	555,000	596,000
Curr. Liabilities	$ 2,771,000	$ 2,987,000
Deferred inc. taxes	490,000	590,000
+ Common stock	1,953,000	1,896,000
Add. paid-in capital	4,060,000	3,823,000
Retained earnings	14,845,000	12,934,000
Total Liabilities & Shareholders' Equity	$ 24,119,000	$ 22,230,000

* At lower of average cost and market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.79	12.35
%Net Income to Sales	6.96	8.18
%Net Income to Equity	11.76	14.72
Sales to Inventories	3.80	3.86
Working Capital	$ 15,742,000	$ 13,884,000
Current Ratio	6.68	5.65
Shareholders' Equity	$ 20,858,000	$ 18,653,000

Colt Industries Inc

430 Park Avenue
New York, New York 10022
(212) 940-0400
FAX: (212) 940-0496

(The Company became a privately held corporation via a leveraged buy-out, as of June 10, 1988. The Company's notes and debentures are publicly traded.)

Officers: David I. Margolis, chairman, president & chief exec. officer; Anthony J. diBuono, sr. v.p., general counsel & secretary; Andrew C. Hilton, exec. v.p.; Salvatore J. Cozzolino, exec. v.p. & treasurer; Phil Berkowitz, sr. v.p.; Joseph P. Lisa, sr. v.p. & controller; James J. McHugh, v.p.-labor relations; George W. Townsend, group v.p.; Peter H. Wieschenberg, v.p.-risk management & corp. services; Julius Levinson, v.p.-taxes; Paul G. Schoen, v.p.-accounting.

Directors: David I. Margolis, chairman; Salvatore J. Cozzolino, Andrew C. Hilton, Thomas A. Saunders, III, Charles W. Tate.

Divisions:

INDUSTRIAL

Fairbanks Morse Engine
701 Lawton Avenue
Beloit, Wisconsin 53511
(608) 364-4411

Diesel engine generator systems for standby, peaking, and continuous service/Diesel engines for industrial drives/Marine diesel propulsion systems and generator systems.

Central Moloney Transformer
200 East 11th Avenue
Pine Bluff, Arkansas 71601
(501) 534-5332

Electrical distribution transformers, components.

Quincy Compressor
36th Street & Wismann Lane
Quincy, Illinois 62301
(217) 222-7700

Reciprocating and helical screw air compressors.

Garlock Special Products
Suite 1250, Midtown Tower
Rochester, New York 14604
(716) 232-1400

Bearings, butterfly valves, plastomer products, and hydraulic/pneumatic cylinders.

France Compressor Products
104 Pheasant Run
Newtown, Pennsylvania 18940
(215) 968-5959

Reciprocal compressor seals, packings, valves.

Garlock Mechanical Packing
1666 Division Street
Palmyra, New York 14522
(315) 597-4811

Industrial seals, gasketing, expansion joints.

AUTOMOTIVE

Holley Automotive
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 597-4000

Automotive carburetor, fuel injection systems, transmission components. Design, manufacture, and sale of OEM car and truck carburetors/Development of non-carburetor automotive fuel management systems.

Holly Replacement Parts
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 497-4000

Replacement, performance carburetors, fuel injection systems; remanufactured carburetors; emissions control components.

Colt Automotive Products
1748 Northwood Drive
Troy, Michigan 48084
(313) 362-5300

Emission control air pumps, automotive oil pumps; components.

Stemco Truck Products
P.O. Box 1989
Longview, Texas 75606
(214) 758-9981

Truck wheel lubrication systems/Exhaust systems, replacement leaf springs, and automotive instrumentation.

Farnam Sealing Systems
1707 Northwood Drive
Troy, Michigan 48084
(313) 362-5457

Gaskets, gasket assemblies for automotive and industrial applications.

Fairbanks Morse Engine Accessories Operation
6402 Rockton Road
Roscoe, Illinois 61073
(815) 389-3660
Magnetos, ignition systems, other engine components.

AEROSPACE/GOVERNMANT

Menasco Aerosystems
P.O. Box 500
Euless, Texas 76039
(817) 283-4471
Military and commercial aircraft landing gear and shock mitigation systems.

Delavan Gas Turbine Products
P.O. Box 100
West Des Moines, Iowa 50265
(515) 274-1561
Gas turbine engine fuel injectors, components.

Chandler Evans Control Systems
Charter Oak Boulevard
West Hartford, Connecticut 06110
(203) 236-0651
Fuel pumps, fuel controls, and other gas turbine engine accessories and components/Aircraft and airframe valves/Missile flight control systems, valves and actuators.

Lewis Electronic Instrumentation
238 Water Street
Naugatuck, Connecticut 06770
(203) 729-5253
Aircraft electronic instrumentation systems.

Walbar Turine Components
Peabody Industrial Center
Peabody, Massachusetts 01960
(617) 532-2700
Jet engine turbine blades and vanes, compressor airfoils, discs, impellers, and related components.

INTERNATIONAL OPERATIONS

Menasco Aerospace Ltd.
1400 South Service Road, West
Oakville, Ontario L6L 5Y7, Canada
(416) 827-7777
Landing gear and flight controls for military and commercial aircraft/Helicopter rotor components/Flight control overhaul service.

Garlock of Canada Ltd.
66 Jutland Road
Toronto, Ontario M8Z 2H3, Canada
(416) 255-9114
Molded and extruded rubber products/Braided packings/Compressor and industrial engine components/Wheel lubrication and truck exhaust systems for heavy duty trucks.

Facilities:
Garlock Mechanical Packing Division, Toronto, Ontario; France Compressor Products Divsion, Brantford, Ontario; Stemco Truck Products Division, Mississauga, Ontario.

Walbar of Canada Inc.
1303 Aerowood Drive
Mississauga, Ontario L4W 2P6, Canada
Jet engine compressor blades and vanes.

Garlock AG
Industriestrasse 26/28
8152 Glattbrugg, Switzerland
Colt friction materials, truck transmission components.

Garlock Limited
North Way, Andover
Hampshire SP10 5HN, England
Seals, packings, truck wheel lubrication systems, compressor components.

Facilities:
Garlock Mechanical Packing and Stemco Truck Products Division, Newbury, Berkshire; France Compressor Products Divison, Andover, Hampshire.

Garlock S.A.
Torre dels Pardals, 23
Barcelona 26, Spain
Stemco truck products.

Garlock GmbH
Postfach 300 451
Scheffelstrasse 73
4000 Dusseldorf 30, West Germany
Seal, gasketing, valves, truck products, compressor components.

Facilities:
Garlock Valves & Industrial Plastics, and Stemco Truck Products, Neuss; France Compressor Products Division, Gross Gerau; Garlock Mechanical Packing Division, Dusseldorf.

Garlock de Mexico, S.A. de C.V.
Poniente 116, No. 571
Col. Industrial Vallejo
Delagacion Azcapotzalco 02300 Mexico, D.F.
Industrial packing and gasketing/Compressor components/TFE specialty products and molded rubber products.

Delavan Limited
Gorsey Lane, Widnes
Cheshire WA8 ORJ, England
Industrial, agricultural spray nozzles and other products.

Liard S.A.
49 Route National
F-59570 Bavay, France
Compressor and industrial engine components, truck wheel lubrication systems.

Garlock Pty. Ltd.
P.O. Box 54
Arncliffe, N.S.W. 2205, Australia
Seals, packings, hydraulic components.

Number of Employees:

1989	13,300
1988	15,200
1987	16,600
1986	18,400
1985	19,700

Plant Footage:

1989	8,274,000 sq. ft.
1988	8,274,000
1987	8,215,000

NOTE: There is no established trading market for Colt's common equity which is entirely owned by Colt Holdings Inc.

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1989	$ 1,516,711	$ 119,154
1988	1,523,083	91,028
1987	1,511,688	75,045
1986	1,539,811	89,270
1985	1,472,754	138,033

	No. of Com. Shares #	Earn. per Share †#
1989	—	$ —
1988	—	—
1987	36,127,000	2.15
1986	135,233,000	0.66
1985	167,647,000	0.82

(Loss)
+ Of continuing operations only.
† Including extraordinary loss of $6,104,000 in 1989.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Aerospace/Government	$ 605,000	$ 627,000
Automotive	479,000	488,000
Industrial	433,000	408,000
Total	$ 1,517,000	$ 1,523,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.10	—	8.3913-for-1
1985	0.30	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ (722,754)	$ —
1988	(844,598)	—
1987	(968,924)	—
1986	(1,077,837)	—
1985	414,304	2.47

(Deficiency)
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,516,711	$ 1,523,083
Cost of sales	1,063,694	1,093,546
Expenses	180,167	174,612
Dividend income	(5,770)	—
Gain on sale of businesses	—	(15,897)
Transaction fees	—	8,500
Interest expense	143,346	161,999
Interest income	(3,170)	(2,959)
Income before taxes	$ 138,444	$ 103,282
Income taxes	16,777	21,610
Income-cont. oper.	$ 121,667	$ 81,672
Income-discont. oper.	3,591	9,356
Net Income	$ 125,258	$ 91,028
Extraord. loss	(6,104)	—
Net Income & extraord. loss	$ 119,154	$ 91,028

* Included in Costs and Expenses, Depreciation: $36,733,000 in 1989 and $36,094,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cert. of deposit	$ 3,696	$ 17,380
Marketable securities	—	6,300
Accts. and notes receiv., net	175,202	156,771
*Inventories	218,051	226,735
Deferred inc. taxes	28,384	24,143
Other curr. assets	8,746	9,015
Net assets-discont. oper.	4,903	5,818
Current Assets	$ 438,982	$ 446,190
#Fixed assets	266,980	276,108
Costs in exc. of assets acq.	149,066	154,329
Other assets	76,846	80,549
Net assets-discont. oper.	2,847	(578)
Total Assets	$ 934,721	$ 956,59[illegible]

Liabilities
(000's)

Long-term debt, curr.	$ 1,725	$ 2,289
Accts. payable	86,091	82,096
Accrued payroll	56,385	50,298
Accrued taxes	34,354	52,341
Accrued interest	16,751	19,690
Other accruals	30,686	47,211
Net liab.-discont. oper.	4,722	6,183
Curr. Liabilities	$ 230,714	$ 260,108
Long-term debt	1,209,480	1,316,643
Minority interest	4,207	4,066
Deferred inc. taxes	70,591	61,962
Other liab.	90,338	100,272
Net liab.-discont. oper.	52,145	58,145
Retained earnings (def.)	(732,889)	(852,043)
For. curr. trans. adjust.	10,135	7,445
Total Liabilities & Shareholders' Equity	$ 934,721	$ 956,598

* At lower of cost (LIFO or FIFO) or market.
# Less accumulated depreciation and amortization.

Statistical Summary

Sales to Inventories	6.96	6.72
Working Capital	$ 208,268,000	$ 186,082,000
Current Ratio	1.90	1.72
Shareholders' Equity (Deficiency)	$ (722,734,000)	$ (844,598,000)

Combustion Engineering, Inc.

(The Company was acquired by Asea Brown Boveri Inc., Jan. 30, 1990.)

900 Long Ridge Road
P.O. Box 9308
Stamford, Connecticut 06904
(203) 329-8771

Officers: Charles E. Hugel, chairman & chief exec. officer; George S. Kimmel, president & chief operating officer; Charles E. Barnett, v.p. & gen. counsel; William J. Connelly, v.p.-corp. and investor relations; Robert E. Kistner, v.p.-information systems & services; Robert H. Masson, v.p.-venture finance & international; Jack T. Sanderson, v.p.-corp. technology; Jeffrey S. Rubin, v.p.-finance; Dale E. Smith, v.p.-human resources & operations support; Bernard J. Garry, secretary, Preston E. Insley, controller; Fred R. Jones, treasurer.

Directors: Charles E. Hugel, chairman; Lucy Wilson Benson, Walter H. Helmerich, III, Charles E. Hugel, Robert M. Jenney, George S. Kimmel, Paul W. MacAvoy, Scott L. Probasco, Jr., Arthur J. Santry, Jr., Robert C. Seamans, Jr., Robert G. Stone, Jr., Kenneth J. Whalen, David R. Whitwam.

Areas of Work: The Company's operations are divided into three major segments: Power Generation, Process industries, and Public Sector and Environmental. Through its Power Generation segment, the Company provides engineering, maintenance, construction and project management services, fossil and nuclear steam systems, complete power generation plants, fluidized-bed combustors, hydropower and heat recovery equipment and services, and power plant emission control equipment and software to electric utilities, independent power projects, process and other industries. Through its Process Industries segment, the Company provides measurement and control systems, valves and instrumentation, pulping equipment, operating software and management services, specialty minerals and refractories, and screening, grinding and milling equipment to a variety of process industries. Through its Public Sector and Environmental segment, the Company provides resource recovery systems, hazardous waste cleanups and systems, mass transit engineering and environmental consulting services.

Subsidiaries:

Taylor Instrument
Provides process control systems and instrumentation, software and services used to control operations in a variety of plants in the process and power industries.

Sprout-Bauer Inc.
Supplies pulping machinery and aftermarket parts to the pulp and paper industries.

Lummus Crest Inc.
Design, engineering and construction services for large projects, chiefly in the petrochemical market.

AccuRay Corporation
650 Ackerman Road
Columbus, Ohio 43202
(614) 261-2000
Designs, manufactures and markets production measurement and control systems for the pulp and paper and other process industries.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Shareholder Services Division
14th Floor - One New York Plaza
New York, New York 10081

The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

Stock Exchange(s): New York

Ticker Symbol: CSP

Number of Employees:

1988	28,832	1985	24,761
1987	27,581	1984	27,642
1986	24,149		

Sales & Earnings

	Net Sales	Net Income
1988	$ 3,483,928,000	$ (245,173,000)
1987	3,042,074,000	56,560,000
1986	2,551,469,000	50,866,000
1985	2,407,658,000	(95,413,000)
1984	2,331,734,000	99,570,000

	No. of Com. Shares‡	Earn. per Share‡
1988	38,309,000	$ —
1987	36,645,000	1.54
1986	33,241,000	1.53
1985	33,192,000	—
1984	33,152,000	3.00

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Power generation	$ 1,663,843,000	$ 1,498,031,000
Process industries	1,546,455,000	1,283,218,000
Public sector & environmental	273,630,000	260,825,000
Total	$ 3,483,928,000	$ 3,042,074,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 1.00	—	—
1987	1.00	—	
1986	1.00	—	—
1985	1.42	—	—
1984	1.84	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 593,188,000	$ 15.33
1987	862,461,000	22.67
1986	686,879,000	20.65
1985	664,104,000	20.00
1984	795,787,000	24.00

Income Account*
(000's)

Year ended Dec. 31	1988	1987
Net sales	$ 3,483,928	$ 3,042,074
Cost of sales	3,338,140	2,585,820
Expenses	379,300	322,633
Equity loss (inc.)	(4,558)	24,824
Dividend income	(4,274)	(2,728)
Interest expense	61,352	44,632
Interest earned on secur.	(17,174)	(13,024)
Other income	(29,632)	(20,545)
Income (loss) bef. taxes	$ (239,226)	$ 100,462
Income taxes	5,947	43,902
Net Income (Loss)	$ (245,173)	$ 56,560

* Included in Costs and Expenses, Depreciation and Amortization: $110,064,000 in 1988 and $88,652,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & short term invest.	$ 157,852	$ 151,240
Accts. receiv., net	658,342	629,775
*Inventories	490,173	488,136
Prepaid expenses	25,067	23,889
Deferred inc. taxes	—	103,397
Current Assets	$ 1,331,434	$ 1,396,437
Investments	344,645	353,415
#Fixed assets	571,369	630,064
Defer. charges	76,636	72,160
Intangibles	221,751	251,654
Total Assets	$ 2,545,835	$ 2,703,730

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 120,717	$ 77,848
Accts. payable	267,328	188,787
Accruals	753,370	653,375
Advance payments	395,244	390,878
Income taxes	65,461	43,334
Curr. Liabilities	$ 1,602,120	$ 1,354,222
Long-term debt	316,046	293,957
Deferred inc. taxes	20,779	175,322
Other liabilities	13,702	17,768
+Common stock	268,737	254,437
Retained earnings	335,991	619,573
Cum. trans. adjust.	(10,844)	(10,887)
Treasury stock	(696)	(662)
Total Liabilities & Shareholders' Equity	$ 2,545,835	$ 2,703,730

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.30
%Net Income to Sales	—	1.86
%Net Income to Equity	—	6.56
Sales to Inventories	7.11	6.23
Debt to Equity	0.53	0.43
Working Capital	—	$ 42,215,000
Current Ratio	—	1.03
Shareholders' Equity	$ 593,188,000	$ 862,461,000

Commodore International Limited

Executive offices:

1200 Wilson Drive
West Chester, Pennsylvania 19380
(215) 431-9100
FAX: (215) 431-9156

Commodore International Limited

Registered office:
Sasson House, Shirley and Victoria Streets
P.O. Box N-10256
Nassau, Bahamas

Officers: Irving Gould, chairman of the board & chief executive officer; Mehdi R. Ali, president; Henri Rubin, executive v.p. & chief operating officer; Joseph C. Benedetti, v.p., general counsel & secretary; Mikio Izumi, vice president-Japan; Ronald B. Alexander, v.p.-taxes; Thomas H. Matson, v.p. & controller; Peter Bayley, v.p.-international marketing; Carden N. Welsh, treasurer; Brian C. Weyman, v.p.-worldwide manufacturing & purchasing.

Directors: Irving Gould, chairman; Burton Winberg, Ralph D. Seligman, Alexander M. Haig, Jr., Robert A. Utting, Mehdi R. Ali, Henri Rubin.

Areas of Work: Manufactures advanced microcomputer systems and semiconductor components.

Subsidiaries:

Commodore AB
Fagerstavaegen 7
Lunda Inustriomrade
Spanga, Sweden

Commodore A.G.
Langenhagstrasse 1
CH-4147 Aesch, Switzerland

Commodore B.V.
Kabelweg 88
1014 BC Amsterdam, Netherlands

Commodore S.A.
Valencia 47-53
Barcelona, Spain

Commodore-Amiga, Inc.
1200 Wilson Drive
West Chester, Pennsylvania 19380

Commodore Buromaschinen GmbH
Lyoner Strasse 38
Postfach 710126
6000 Frankfurt 71, West Germany

Ernst-Amme-Strasse 24-26
3300 Braunschweig, West Germany

Commodore Buromaschinen (Austria) GmbH
Kinskygasse 40-44
A1232 Vienna, Austria

Commodore Business Machines, Inc.
1200 Wilson Drive
West Chester, Pennsylvania 19380

Commodore Business Machines Limited
3470 Pharmacy Avenue
Agincourt, Ontario M1W 3G3, Canada

Commodore Business Machines U.K. Limited
The Switchback Gardner Road
Maidenhead Berkshire, United Kingdom

Commodore Business Machines (Asia Pacific) Ltd.
2-12 Wing Kei Road
Kwai Chung, New Territories, Hong Kong

Commodore Business Machines Pty. Ltd.
67 Mars Road
Land Cove
New South Wales 2066, Australia

Commodore Computers Norge A/S
Postbosk 109
Okern, N-0509
Oslo 5, Norway

Commodore Computers N.V./S.A.
Europalaan 74
B-1940 St. Stevens-Woluwe, Belgium

Commodore Data A/S
Jens Juuls Vej 42
DK 8260 Viby J, Denmark

Commodore Electronics Limited
Sassoon House
Shirley and Victoria Streets
P.O. Box N-10256
Nassau, Bahamas

Commodore Centre
2-12 Wing Kei Road
Kwai Chung, New Territories, Hong Kong

Langenhagstrasse 1
CH-4147 Aesch, Switzerland

Lyonner Strasse 38
Postfach 710126
6000 Frankfurt 71, West Germany

Commodore Electronics (Taiwan) Limited
No. 8 San Min Road
Tu Cheng Industrial Zone
Taipei Hsien, Taiwan, Republic of China

Commodore France S.A.R.L.
150-152 Av de Verdun
92130-Issy Les Moulneaux
Paris, France

Commodore Italiana S.p.A.
Via Fratelli Gracchi 48
20092 Cinisello Balsamo
Milano, Italy

Commodore Japan Ltd.
Sumitomo Higashi-Shimbashi, Bldg. No. 2
12-7 Higashi-Shimbashi 2-Chome
Minato Ku, Tokyo 105, Japan

Commodore Semiconductor Group
950 Rittenhouse Road
Norristown, Pennsylvania 19403

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CBU

Plant Footage:

1989 . . . . . . 1,152,727 1988 . . 1,152,727 sq. ft

Sales & Earnings

	Net Sales	Net Income †
1989	$ 939,700,000	$ 51,300,000
1988	871,100,000	55,800,000
1987	806,700,000	28,600,000
1986	889,300,000	(127,900,000)
1985	883,100,000	(113,900,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	32,354,000	$ 1.59
1988	31,768,000	1.75
1987	32,144,000	0.89
1986	31,278,000	—
1985	31,142,000	—

(Loss)

† Including extraordinary gains of $1,200,000 ($0.04 per share) in 1989, $7,600,000 ($0.24 per share) in 1988 and $6,000,000 ($0.18 per share) in 1987.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 240,300,000	$ 7.43
1988	200,300,000	6.31
1987	145,000,000	4.51
1986	105,000,000	3.36
1985	222,500,000	7.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 939,700	$ 871,100
Cost of sales	640,600	603,200
Expenses:		
Selling & adv.	138,500	120,100
Gen. & adm.	45,300	40,700
Res. & develop.	19,300	15,400
Amort. of acq. tech.	7,900	7,900
Interest expense	13,300	16,900
Other expense (income)	14,200	(700)
Income before taxes	$ 60,600	$ 67,600
Income taxes	10,500	19,400
Net Income	$ 50,100	$ 48,200
Extraord. gain	1,200	7,600
Net Income & extraord. gain	$ 51,300	$ 55,800

* Included in Costs and Expenses, Depreciation and Amortization: $24,500,000 in 1989 and $26,200,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 114,100	$ 78,000
Accts. receiv., net	179,700	168,900
*Inventories	247,900	241,000
Other curr. assets	6,200	7,200
Current Assets	$ 547,900	$ 495,100
#Fixed assets	73,600	67,100
Acq. technology	—	−7,900
Other assets	8,800	8,400
Total Assets	$ 630,300	$ 578,500

Liabilities
(000's)

	1989	1988
Bank debt	$ 22,200	$ 42,600
Long-term debt, curr.	14,400	3,900
Accts. payable	94,400	105,400
Accruals	52,600	49,000
Taxes payable	45,300	45,500
Curr. Liabilities	$ 228,900	$ 246,400
Long-term debt	158,800	130,000
Deferred inc. taxes	2,300	1,800
+Common stock	300	300
Add. paid-in capital	33,300	32,600
Retained earnings	220,100	173,300
Cum. trans. adjust.	(11,400)	(3,600)
Unearned compensation	(1,100)	(1,600)
Treasury stock	(900)	(700)
Total Liabilities & Shareholders' Equity	$ 630,300	$ 578,500

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 stated value.

Statistical Summary

%Income bef. Taxes to Sales	6.45	7.76
%Net Income to Sales	5.33	5.53
%Net Income to Equity	20.85	24.06
Sales to Inventories	3.79	3.61
Debt to Equity	0.81	0.88
Working Capital	$ 319,000,000	$ 248,700,000
Current Ratio	2.39	2.01
Shareholders' Equity	$ 240,300,000	$ 200,300,000

Communications Satellite Corporation

950 L'Enfant Plaza S.W., Washington D.C. 20024
(202) 863-6000
FAX: (202) 488-8750

Officers: Irving Goldstein, chairman, chief executive officer & president; Joel R. Alper, president-COMSAT Systems Div.; Susan Mayer, v.p.-corporate development; Bruce L. Crockett, president-World Systems Division; Robert J. Wussler, pres. & chief exec. officer-COMSAT video enterprises; Robert J. Perry, v.p. & chief financial officer; Robert W. Baumann, v.p.-human resources and organization development; Willard R. Nichols, v.p. & general counsel; John V. Evans, v.p. & dir.-COMSAT Laboratories; Richard L. McGraw, v.p.-corp. affairs; Jerome W. Breslow, v.p. & secretary; Margarita K. Dilley, treasurer; Robert C. Myer, Jr., controller.

Directors: Joseph V. Charyk, Barry M. Goldwater, Melvin R. Laird, Bruce G. Sundlun, Frederick B. Dent, Lucy W. Benson, Irving Goldstein, Michael A. McManus, Jr., Walter A. Fallon, Robert G. Schwartz, Arthur Hauspurg, Peter W. Likins, Thomas C. Griscom, Howard M. Love, Roscoe Robinson, Jr..

Areas of Work: COMSAT, the Communications Satellite Corporation, provides satellite-based communications services and products to the international, maritime and U.S. domestic markets.

Subsidiaries:

COMSAT General Corporation
950 L'Enfant Plaza S.W., Washington D.C. 20024
(202) 863-6000

Engaged in maritime and domestic U.S. satellite communications programs, and provides worldwide technical service.

INTELSAT Satellite Services
950 L'Enfant Plaza, S.W., Washington D.C. 20024
(202) 863-6000

Provides international satellite communications services using the satellite systems of the International Telecommunications Satellite Organization (INTELSAT).

COMSAT Laboratories
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-4000

Performs research and development in the area of satellite communications technology.

COMSAT Video Enterprises, Inc.
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-4000

Owns and operates a satellite network which provides entertainment and videoconferencing services to the lodging industry in the U.S.

COMSAT Maritime Services
950 L'Enfant Plaza, S.W., Washington D.C. 20024
(202) 863-6000

Provides a full range of communications services to the shipping and offshore industries.

COMSAT Maritime Services
One Angel Court, 11th Floor
London EC2R 7HJ, United Kingdom
(44)1 796 3074

Transfer Agent(s):

American Transtech Inc.
8000 Baymeadows Way
Jacksonville, Florida 32256

Stock Exchange(s): New York, Midwest, Pacific, Basle, Geneva, Zurich

Ticker Symbol: CQ

Number of Employees:

1989	1,399	1986	2,342
1988	1,285	1985	2,667
1987	1,475		

Sales & Earnings

	Revenues +	Net Income
1989	$ 411,524,000	$ 62,464,000
1988	358,864,000	61,913,000
1987	333,651,000	(47,273,000)
1986	304,917,000	58,948,000
1985	307,155,000	(41,527,000)

	No. of Com. Shares	Earn. per Share #
1989	18,676,573	$ 3.35
1988	18,505,628	3.35
1987	18,437,191	—
1986	18,338,063	3.22
1985	18,115,473	—

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
International	$ 280,006	$ 247,521
Systems	74,714	59,955
Video entertainment	48,959	44,939
Eliminations	7,845	6,449
Total	$ 411,524	$ 358,864

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.32	—	—
1988	1.26	—	
1987	1.20	—	—
1986	1.20	—	—
1985	1.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 595,138,000	$ 31.87
1988	552,508,000	29.86
1987	512,306,000	27.79
1986	579,121,000	31.58
1985	536,394,000	29.61

Income Account
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 411,524	$ 358,864
Cost of revenues	203,312	163,912
Depreciation & amortization	81,450	77,252
Expenses	40,669	36,952
Operating profit	$ 86,093	$ 80,748
Other income	(7,559)	(9,115)
Interest expense	2,493	5,048
Inc. bef. taxes	$ 91,159	$ 84,813
Inc. taxes	28,695	22,900
Net Income	$ 62,464	$ 61,913

Assets
(000's)

As of Dec. 31	1989	1988
Cash & temp. investment	$ 6,152	$ 59,833
Accts. receiv., net	107,536	82,248
Note receiv.-investee	25,000	—
Refund inc. taxes	1,629	1,858
Deferred inc. taxes	16,253	17,646
Other curr. assets	12,990	14,508
Current Assets	$ 169,560	$ 176,093
Investments	17,167	4,146
#Fixed assets	1,027,802	936,414
Exc. of cost over assets acq.	26,353	25,571
Other assets	20,228	20,467
Total Assets	$ 1,261,110	$ 1,162,691

Liabilities
(000's)

Commercial paper	$ 27,571	$ —
Long-term debt, curr.	10,868	8,249
Accts. payable	25,335	19,518
Accruals	54,783	58,913
Income taxes	4,6793	2,463
Net liab.-discont. oper.	5,651	6,030
Curr. Liabilities	$ 128,887	$ 95,173
Long-term debt.	367,617	369,239
Deferred revenue	69,109	70,572
Deferred inc. taxes & invest. tax credits	100,359	75,199
+Common stock	246,221	243,276
Retained earnings	381,853	343,870
Treasury stock	(32,936)	(34,638)
Total Liabilities & Shareholders' Equity	$ 1,261,110	$ 1,162,691

# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	22.15	23.63
% Net Income to Sales	15.18	17.25
%Net Income to Equity	10.50	11.21
Debt to Equity	0.64	0.67
Working Capital	$ 40,673,000	$ 80,920,000
Current Ratio	1.32	1.85
Shareholders' Equity	$ 595,138,000	$ 552,508,000

Compaq Computer Corporation

20555 SH 249
Houston, Texas 77070
(713) 370-0670
FAX: (713) 374-1740

Officers: Benjamin M. Rosen, chairman of the board; Joseph R. Canion, president & chief exec. officer; Eckhard Pfeiffer, president-Europe & int'l. division; Michael S. Swavely, president-North American division; James M. Eckhart, sr. v.p.-human resources & public affairs; B. Kevin Ellington, sr. v.p.-int'l. development; Wilson D. Fargo, sr. v.p., general counsel & secretary; C. Murray Francois, sr. v.p.-corporate quality & materials; John F. Gribi, sr. v.p.-corporate administration; James M. Harris, sr. v.p.-engineering; Gary Stimac, sr. v.p.-systems engineering; Robert E. Vieau, sr. v.p.- corporate manufacturing; Daryl J. White, sr. v.p.-finance & chief financial officer; Hugh Barnes, v.p.-product development; Wayne F. Collins, v.p.-materials operations; Ross Cooley, v.p.-sales & services; Franz Egermann, v.p.-finance & administration, Europe & int'l. division, J. Steven Flannigan, v.p.; John M. Foster, v.p. & treasurer; H. Douglas Johns, v.p.-marketing operations; Bernard Maniglier, v.p. & managing director, Compaq Computer S.A.R.L.; Brendan A. McLoughlin, v.p.-Western operations; Joseph McNally, v.p. & managing director-Compaq Computer Limited; Gregory E. Petsch, v.p.-manufacturing, CPU operations; William M. Ramsey, v.p.-manufacturing, PCB operations; David J. Schempf, v.p. & corporate controller.

Directors: Benjamin M. Rosen, chairman; Joseph R. Canion, Robert Ted Enloe, III, James W. Glanville, George E. R. Kinnear, II, Kenneth L. Lay.

Areas of Work: The Company is a world leader in the manufacture of desktop, portable and laptop personal computer. It also manufactures a new class of computers called PC systems that deliver minicomputer performance at a fraction of the cost. Compaq personal computers and PC systems are sold in 61 countries through more than 3,300 Authorized COMPAQ Computer Dealers. The Company conducts its manufacturing operations at its Houston headquarters campus, as well as in Singapore and Scotland.

Transfer Agent(s):

Bank of America NT&SA
San Francisco, California

Stock Exchange(s): New York

Ticker Symbol: CPQ

Number of Employees

1989	9,500	1988	6,900

Sales & Earnings

	Net Sales	Net Income
1989	$ 2,876,062,000	$ 333,300,000
1988	2,065,562,000	255,242,000
1987	1,224,067,000	136,267,000
1986	625,243,000	42,897,000
1985	503,880,000	26,595,000

	No. of Com. Shares	Earn. per Share +
1989	39,272,904	$ 7.77
1988	38,549,221	6.30
1987	34,169,467	3.59
1986	27,044,628	1.52
1985	N.A.	0.97

N.A. - Not Available.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,171,635,000	$ 29.83
1988	814,554,000	21.13
1987	399,532,000	11.69
1986	183,302,000	6.78
1985	136,608,000	—

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 2,876,062	$ 2,065,562
Cost of sales	1,715,243	1,233,283
Expenses:		
Res. & develop.	132,474	74,859
Marketing & sales	332,592	235,035
Gen. & adm.	206,129	162,328
Unreal. gain on invest. in affil. co.	(13,691)	(9,683)
Other expense	18,776	2,893
Income before taxes	$ 484,539	$ 366,847
Income taxes	165,010	119,296
Eq. in inc. of affil. co.	(13,771)	(7,691)
Net Income	$ 333,300	$ 255,242

* Included in Costs and Expenses, Depreciation and Amortization: $84,575,000 in 1989 and $49,006,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 161,313	$ 281,179
Accts. receiv., net	530,228	428,338
*Inventories	559,042	386,973
Prepaid expenses	61,916	18,152
Current Assets	$ 1,312,499	$ 1,114,642
Investment in affil. co.	58,673	35,731
#Fixed assets	705,475	428,937
Other assets	13,742	10,687
Total Assets	$ 2,090,389	$ 1,589,997

Liabilities
(000's)

	1989	1988
Notes payable	$ 30,000	$ —
Accts. payable	253,909	238,634
Income taxes pay.	20,100	23,135
Other current liabilities	259,439	218,078
Current Liabilities	$ 563,448	$ 479,847
Long-term debt	274,434	274,930
Deferred inc. taxes	80,872	20,666
+Common stock	393	385
Add. paid-in capital	363,973	340,200
Retained earnings	807,269	473,969
Total Liabilities & Shareholders' Equity	$ 2,090,389	$ 1,589,997

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	16.85	17.76
% Net Income to Sales	11.59	12.36
% Net Income to Equity	28.45	31.34
Sales to Inventories	5.14	5.34
Debt to Equity	0.26	0.34
Working Capital	$ 749,051,000	$ 634,795,000
Current Ratio	2.33	2.32
Shareholders Equity	$ 1,171,635,000	$ 814,554,000

Computer Automation, Inc.

2181 Dupont Drive
Irvine, California 92715
(714) 833-8830
FAX: (714) 851-1708

Officers: George Pratt, chairman & chief executive officer; William L. Osmundsen, v.p.-finance, chief financial officer & treasurer; Ira L. Robinson, v.p., secretary & general counsel.

Directors: Richard Bertea, George Pratt, Harold R. Frank, R.C. Mercure, Jr., Johan F. Blokker.

Areas of Work: Manufactures, markets and services high-performance automatic test systems for testing electronic printed circuit boards, digital minicomputers and microcomputers and their associated memories, communications and peripheral subsystems.

Subsidiaries:

Computer Automation Limited
Millfield House
Croxley Centre, Woodshots Meadow
Watford, Hertfordshire WD1 8YZ England
44-923-55011

Computer Automation Ireland Limited
Clonshaugh Industrial Estate
Coolock
Dublin 5, Ireland
353-1-471111

Acquisition:

Talon Technology Corporation
1819 Firman Drive, Suite 137
Richardson, Texas 75081
(214) 680-9913

Manufactures high-speed data communications coprocessors, data transmission systems, ruggedized microcomputers, and facsimile subsystems for sale in the defense, petroleum and general communications industries.

Transfer Agent(s):

U.S. Stock Transfer Corp.
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CAUT (NASDAQ)

Number of Employees:

1989	N.A.	1986	241
1988	249	1985	499
1987	248		

N.A. - Not Available

Plant Footage:

1989	N.A.	1986	161,000
1988	112,500 sq. ft.	1985	161,000
1987	161,000		

N.A. - Not Available

Sales & Earnings

	Revenues †	Net Income
1989	$ 6,399,000	$ (6,028,000)
1988*	7,161,000	(1,294,000)
1987	8,206,000	1,419,000
1986	13,008,000	(3,851,000)
1985	13,417,000	(12,705,000)

	No. of Com. Shares +	Earn. per Share +
1989	2,370,579	$ —
1988*	2,151,080	—
1987	2,153,722	0.66
1986	2,059,025	—
1985	2,060,575	—

(Loss)
* 53 weeks.
† Of continuing operations only.
+ Based on the weighted average number of shares outstanding assuming full dilution.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 2,144,000	$ 0.90
1988	8,027,000	3.73
1987	7,336,000	3.41
1986	5,847,000	2.84
1985	9,709,000	4.71

+ Based on the weighted average number of shares outstanding assuming fill dilution.

Income Account *

Year ended June 30	1989 (53 weeks)	1988
Revenues	$ 6,399,000	$ 7,161,000
Cost of revenues	5,255,000	5,769,000
Expenses	3,586,000	2,589,000
Interest income	(199,000)	(346,000)
Other expense (income)	(832,000)	31,000
Loss-cont. oper.	$ (1,411,000)	$ (882,000)
Loss-discont. oper.	(4,617,000)	(412,000)
Net Loss	$ (6,028,000)	$ (1,294,000)

* Included in Costs and Expenses, Depreciation and Amortization: $392,000 in 1989 and $413,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 78,000	$ 161,000
Accts. receiv., net	2,549,000	6,480,000
Notes receivable	763,000	713,000
*Inventories	1,318,000	4,051,000
Net assets-discont. oper.	200,000	—
Prepaid expenses	59,000	138,000
Current Assets	$ 6,767,000	$ 11,543,000
#Fixed assets	208,000	822,000
Capitalized software	183,000	216,000
Notes receivable	1,159,000	1,911,000
Goodwill	461,000	545,000
Other assets	70,000	79,000
Total Assets	$ 8,848,000	$ 15,116,000

Liabilities

	1989	1988
Note payable	$ 965,000	$ 2,096,000
Long-term debt, curr.	—	59,000
Accts. payable	2,375,000	2,954,000
Accruals	3,250,000	1,716,000
Other curr. liab.	114,000	—
Curr. Liabilities	$ 6,704,000	$ 6,825,000
Deferred income	—	37,000
Other liabilities	—	227,000
+ Common stock	238,000	237,000
Add. paid-in capital	11,450,000	11,419,000
Retained earnings (def.)	(9,430,000)	(3,402,000)
Note receivable for purch. of common stock	(114,000)	(227,000)
Total Liabilities & Shareholders' Equity	$ 8,848,000	$ 15,116,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
Debt to Equity	0.45	0.27
Working Capital	$ 63,000	$ 4,718,000
Current Ratio	1.01	1.69
Shareholders' Equity	$ 2,144,000	$ 8,027,000

Computer Communications, Inc.

2610 Columbia Street
Torrance, California 90503
(213) 320-9101
FAX: (213) 533-8502

Officers: Henry D. Epstein, chairman & chief exec. officer; Raymond E. High, president & chief operating officer; Ervin K. Dorff, sr. v.p.; L. R. Trepp, v.p.-finance; Harold L. Ridout, v.p.-manufacturing; Jesse J. Acciacca, v.p.-customer service; Jerry J. Reine, v.p.-contracts & administration; Robert L. Stone, v.p.-sales & marketing.

Directors: Henry D. Epstein, chairman; Raymond E. High, Ervin K. Dorff, Phillip G. Halamandaris, David Rubinfien, Kenneth E. Years, Arnold M. Zais.

Areas of Work: The Company designs, develops, programs, manufactures, markets and services communications computers and real-time communications software which together comprise data communications processing and control systems. The applications for which these systems are used include terminal-to-terminal message switching, terminal-to-computer transaction processing, and computer-to-computer high-speed transfer of database information.

Subsidiaries:

C.C. Systems, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
300 South Grand Avenue
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	108	1986	127
1988	102	1985	129
1987	104		

Plant Footage:

1989	50,000 sq. ft.	1986	50,000
1988	50,000	1985	50,000
1987	50,000		

Sales & Earnings

	Revenues ‡	Net Income #
1989	$ 9,818,000	$ 229,000
1988	10,441,000	225,000
1987	11,045,000	1,576,000
1986	10,777,000	1,402,373
1985	10,306,000	174,625

	No. of Com. Shares	Earn. per Share # +
1989	8,748,733	$ 0.03
1988	8,748,733	0.03
1987	9,154,531	0.16
1986	8,367,711	0.17
1985	7,117,711	0.02

‡ Of continuing operations only.
# Including extraordinary gains of $66,000 ($0.01 per share) in 1989, $75,000 ($0.01 per share) in 1988, $700,000 ($0.07 per share) in 1987, $1,044,924 ($0.13 per share) in 1986 and $60,000 ($0.01 per share) in 1985.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 7,024,000	$ 0.80
1988	6,795,000	0.78
1987	7,173,000 ‡	0.78
1986	3,829,141 ‡	0.46
1985	1,054,227 ‡	0.15

(Deficiency)
‡ After allowing for preferred stock at par value.

Income Account *

Year ended June 30	1989	1988
Revenues	$ 9,818,000	$ 10,441,000
Cost of revenues	4,999,000	5,743,000
Expenses	4,904,000	4,674,000
Interest income	(206,000)	(196,000)
Other income	(118,000)	(15,000)
Inc. bef. taxes	$ 239,000	$ 235,000
Income taxes	76,000	85,000
Net Income	$ 163,000	$ 150,000
Extraord. gain	66,000	75,000
Net Income & extraord. gain	$ 229,000	$ 225,000

* Included in Costs and Expenses, Depreciation: $183,000 in 1989 and $111,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 2,797,000	$ 1,805,000
Accts. & notes receiv., net	1,775,000	3,908,000
* Inventories	2,072,000	2,054,000
Prepaid expenses	93,000	48,000
Current Assets	$ 6,737,000	$ 7,815,000
# Fixed assets	655,000	395,000
Computer software	766,000	—
Other assets	253,000	296,000
Total Assets	$ 8,411,000	$ 8,506,000

Liabilities

	1989	1988
Accts. payable	$ 376,000	$ 745,000
Accrued maintenance	586,000	474,000
Deferred maintenance rev.	106,000	149,000
Other accruals	191,000	230,000
Curr. Liabilities	$ 1,259,000	$ 1,598,000
Deferred maintenance rev.	81,000	113,000
Other liabilities	47,000	—
+ Common stock	8,749,000	8,749,000
Add. paid-in capital	17,786,000	17,786,000
Deficit	(19,511,000)	(19,740,000)
Total Liabilities & Shareholders' Equity	$ 8,411,000	$ 8,506,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes To Revenues	2.43	2.25
%Net Income to Revenues	1.66	1.44
%Net Income to Equity	2.32	2.21
Working Capital	$ 5,478,000	$ 6,217,000
Current Ratio	5.35	1.89
Shareholders' Equity	$ 7,024,000	$ 6,795,000

Computer & Communications Technology Corp.

9177 Sky Park Court
San Diego, California 92123
(619) 279-8973
FAX: (619) 279-2692

NOTE: The Company announced on April 5, 1990 that it plans to merge with Sunward Technologies of San Diego, California.

Officers: E. T. Bahre, chairman of the board & chief executive officer; Jerry F. Smith, v.p.-personnel; Gary E. Hall, v.p. & chief financial officer; Michael W. Palmer, v.p., gen. counsel & secretary.

Directors: E. T. Bahre, chairman; Graham Tyson, Melvin A. Shader, E. W. Macrae, W. A. Klein, Gary E. Hall.

Areas of Work: Designs and manufactures magnetic recording heads for rigid disc drives used for data storage and retrieval, and designs and manufactures microwave signal-generation and signal-processing components and subsystems.

Subsidiaries:

Information Magnetics Corporation
9177 Sky Park Court
San Diego, California 92123
(619) 279-8940

Designs, manufactures, refurnishes and sells magnetic disc recording heads used in magnetic recording data storage units (peripheral memories) for data processing systems.

Information Magnetics Caribe Inc.
Call Box 2502, Road 125, Kil. 1.0
Moca 00716 Puerto Rico
(809) 877-6400

Ensambles Magneticos, S.A. de C.V.
Calle 5 Sur. #1111
Ciudad Industrial, Nueva Tijuana
Tijuana, B.C., Mexico
(706) 623-3562

Infomag Korea, Ltd.
832-2, Yeoksam-dong, Kangnam-Ku
5th Floor, Woodeok Building, C.P.O. Box 5322
Seoul, 135-080, Korea
8-22-553-5701

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division, W24/30
333 South Beaudry Avenue, 24th Floor
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCTC (NASDAQ)

Number of Employees:

1989	1,950	1986	3,091
1988	2,000	1985	3,293
1987	3,901		

Sales & Earnings

	Revenues +	Net Income
1989	$ 61,483,000	$ (17,343,000)
1988	107,776,000	(15,898,000)
1987	98,798,000	6,393,000
1986*	75,300,000	(26,844,000)
1985	88,751,000	(8,266,000)

	No. of Com. Shares #	Earn. per Share #
1989	11,284,000	$ —
1988	11,248,000	—
1987	11,623,000	0.55
1986*	11,159,000	—
1985	11,139,000	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
# Based on the weighted average number of common shares and common shares equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 7,562,000	$ 0.67
1988	24,824,000	2.21
1987	41,177,000	3.54
1986	34,066,000	3.05
1985	60,440,000	5.43

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 61,234	$ 107,350
Other income	249	426
Total income	$ 61,483	$ 107,776
Cost of sales	58,552	101,257
Eng. & develop. exp.	3,209	3,923
Selling, gen. & adm. exp.	10,209	15,826
Prov. for doubtful accts.	4,661	133
Interest expense	2,045	2,385
Loss before taxes	$ (17,193)	$ (15,748)
Income taxes	150	150
Net Loss	$ (17,343)	$ (15,898)

* Included in Costs and Expenses, Depreciation and Amortization: $2,957,000 in 1989 and $3,597,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash	$ 1,210	$ 2,317
Receivables	9,184	17,252
*Inventories	13,172	24,374
Assets held for sale	—	15,036
Other curr. assets	1,282	1,146
Current Assets	$ 24,848	$ 60,125
#Fixed assets	9,246	13,837
Assets held for sale	2,800	—
Invest. and other assets	4,536	5,813
Total Assets	$ 41,430	$ 79,775

Liabilities
(000's)

Long-term debt, curr.	$ 9,700	$ 14,104
Accts. payable	8,229	15,686
Accruals	5,622	11,542
Income taxes	1,033	1,037
Curr. Liabilities	$ 24,584	$ 42,369
Accrued severance	2,084	1,706
Long-term debt	7,200	10,876
+ Common stock	4,516	4,504
Add. paid-in capital	57,936	57,867
Retained earnings (deficit)	(54,890)	(37,547)
Total Liabilities & Shareholders' Equity	$ 41,430	$ 79,775

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.

Statistical Summary

Sales to Inventories	4.65	4.40
Debt to Equity	2.23	1.01
Working Capital	$ 264,000	$ 17,756,000
Current Ratio	1.01	1.42
Shareholders' Equity	$ 7,562,000	$ 24,824,000

Computer Products, Inc.

7900 Glades Road, Suite 500
Boca Raton, Florida 33434
(407) 451-1000
FAX: (407) 451-1020

Officers: John N. Lemasters, chairman of the board, president & chief exec. officer; John I. Mitchell, v.p.-finance, chief financial officer, secretary & treasurer; Barry Kelleher, v.p.; Carol A. Stephan, controller; Donald V. Jackson, chief information officer; David E. Swant, Eugene L. Zuch, director of investor relations.

Directors: John N. Lemasters, chairman; Bert Sager, Edward S. Croft, III, J. Earl Templeton, Stephen A. Ollendorff, Phillip A. O'Reilly.

Areas of Work: Designs, manufactures and markets three lines of electronic products: power conversion products for electronic equipment used in commerical, industrial and military applications requiring a precise and consistent voltage level; measurement and control hardware and software systems and components used in computer-directed process control and data acquisition applications; and custom and standard design military power supplies for the U.S. government and prime contractors who sell to the U.S. government.

Divisions and Subsidiaries:

Measurement & Control Division

Government Electronics Division

Manufactures mil spec power conversion products for the military and aerospace industries.

Power Conversion Division
Fremont, California

Manufactures and markets AC/DC open-frame and high power caseswitchers used for power conversion.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPRD (NASDAQ)

Number of Employees:

1989	1,759	1986	2,015
1988	1,928	1985	2,248
1987	2,178		

Plant Footage:

1989	691,800	1986	556,000
1988	501,000 sq. ft.	1985	682,000
1987	486,000		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 119,513,000	$ 6,974,000
1988	123,569,000	(10,284,000)
1987	108,794,000	(12,252,000)
1986	105,319,000	(9,281,000)
1985	80,610,000	1,452,000

	No. of Com. Shares x	Earn. per Share ‡ x
1989	20,261,000	$ 0.34
1988	19,860,000	—
1987	19,844,000	—
1986	19,757,000	—
1985	19,499,000	0.07

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $2,903,000 ($0.14 per share) in 1989.
x Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Power conversion	$ 78,356	65.5%	$ 84,922	68.7%
Government elec.	24,836	20.8	16,688	13.5
Measurement & control	16,321	13.7	21,959	17.8
Total	$ 119,513	100.0%	$ 123,569	100.0%

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 32,953,000	$ 1.63
1988	25,692,000	1.29
1987	35,976,000	1.81
1986	48,229,000	2.44
1985	57,179,000	2.90

‡ Adjusted to reflect stock split.

Income Account *

Year ended	12/29/89	12/30/88
Net sales	$ 119,513,000	$ 123,569,000
Cost of sales	73,965,000	85,382,000
Expenses	35,329,000	35,738,000
Restruc. charge	—	8,500,000
Interest income	(1,304,000)	(323,000)
Interest expense	4,489,000	4,863,000
Sale of property	(257,000)	—
Foreign exchange	(330,000)	—
Inc. (loss) bef. taxes	$ 7,621,000	$ (10,591,000)
Inc. taxes	3,550,000	—
Inc. (loss)-cont. oper.	$ 4,071,000	$ (10,591,000)
Inc.-discont. oper.	—	307,000
Net Income (Loss)	$ 4,071,000	$ (10,284,000)
Extraord. gain	2,903,000	—
Net Income (Loss) & extraord. gain	$ 6,974,000	$ (10,284,000)

* Included in Costs and Expenses, Depreciation and Amortization: $4,830,000 in 1989 and $5,614,000 in 1988.

Assets

As of	12/29/89	12/30/88
Cash & short-term invest.	$ 25,039,000	$ 5,472,000
Accts. receiv., net	17,741,000	22,522,000
*Inventories	18,789,000	24,316,000
Prepaid expense	1,854,000	1,949,000
Current Assets	$ 63,423,000	$ 54,259,000
#Fixed assets	26,352,000	28,894,000
Other assets	24,124,000	25,944,000
Total Assets	$ 113,899,000	$ 109,097,000

Liabilities

Long-term debt, curr.	$ 1,068,000	$ 1,184,000
Accts. payable	3,634,000	4,246,000
Accrued compensation	4,730,000	3,747,000
Accrued restruc. costs	883,000	3,959,000
Other accruals	8,539,000	7,356,000
Curr. Liabilities	$ 18,854,000	$ 20,492,000
Long-term debt	7,940,000	8,812,000
Leases payable	13,902,000	13,851,000
Subord. debentures	40,250,000	40,250,000
+Common stock	200,000	198,000
Add. paid-in capital	26,590,000	26,305,000
Retained earnings (deficit)	6,264,000	(710,000)
Treasury stock	(101,000)	(101,000)
Total Liabilities & Shareholders' Equity	$ 113,899,000	$ 10[illegible]97,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.38	—
%Net Income To Sales	3.41	—
%Net Income to Equity	12.35	—
Sales to Inventories	6.36	5.08
Debt to Equity	0.27	0.39
Working Capital	$ 44,569,000	$ 33,767,000
Current Ratio	3.36	2.65
Shareholders' Equity	$ 32,953,000	$ 25,692,000

Computer Sciences Corporation

2100 E. Grand Avenue
El Segundo, California 90245
(213) 615-0311
FAX: (213) 322-9805

Officers: William R. Hoover, chairman & president; Leon J. Level, v.p. & chief financial officer; Hayward D. Fisk, v.p., general counsel & secretary; Alvin E. Nashman, v.p. & president-Systems Group; Denis M. Crane, v.p. & controller; Lawrence Parkus, v.p.-corporate development; Van B. Honeycutt, v.p. & president-Industry Services Group; L. Scott Sharpe, v.p.-human resources; Thomas P. Gerrity, v.p. & president of consulting group.

Directors: William R. Hoover, chairman; George Barratt, Felix A. Kalinski, Alvin E. Nashman, Roy Nutt, Howard P. Allen, Robert R. Dockson, Richard C. Lawton.

Areas of Work: Plans, designs, engineers, integrates and operates computer-based systems and communications systems. It manages client computer facilities and provides operations and maintenance services for high-technology operations. It also provides consulting, research and management education programs in the strategic use of information technology; and operates a number of proprietary services for specific industries and markets.

Principal Operating Units:

Systems Group
3160 Fairview Park Drive
Falls Church, Virginia 22042

Applied Technology Division
Falls Church, Virginia

Integrated Systems Division
Moorestown, New Jersey

System Sciences Division
Calverton, Maryland

Special Projects Division
Falls Church, Virginia

Network Systems Division
Herndon, Virginia

Industry Services Group
2100 East Grand Avenue
El Segundo, California 90245

CSC Credit Services, Inc.
Houston, Texas

Health and Administrative Services Division
Lanham, Maryland

CSC Comtec, Inc.
Farmington Hills, Michigan

CSC TACS Division
Los Angeles, California

CSC Consulting Group
Cambridge, Massachusetts

CSC Partners, Inc.
Waltham, Massachusetts

Index Group, Inc.
Cambridge, Massachusetts

Communications Industry Services
Piscataway, New Jersey

CSC Computer Sciences Europe S.A.
350/358 Avenue Louise
Brussels, Belgium

CSC Computer Sciences Nederland B.V.
Zoetermeer, The Netherlands

Computer Sciences Company Limited
London, England

CSC Computer Sciences S.A.
Frankfurt, Federal Republic of Germany

CSC Computer Sciences (Schweiz) AG
Zurich, Switzerland

Transfer Agent(s):

American Transtech
P.O. Box 44037
Jacksonville, Florida 32231-4037

Stock Exchange(s): New York, Pacific

Ticker Symbol: CSC

Number of Employees:

1989	21,100	1986	15,600
1988	18,300	1985	15,800
1987	18,200		

Plant Footage:

1989 ...... 4,000,000 sq. ft. 1988 3,500,000

Sales & Earnings

	Revenues	Net Income
1989	$ 1,304,414,000	$ 52,482,000
1988	1,152,351,000	43,524,000
1987	1,031,459,000	32,243,000
1986	838,587,000	23,948,000
1985	723,493,000	27,718,000

	No. of Com. Shares ‡	Earn per Share ‡
1989	16,011,501	$ 3.28
1988	15,957,732	2.73
1987	15,459,939	2.08
1986	14,185,964	1.69
1985	13,737,634	2.02

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Fed. syst. & serv.	$ 863,900	$ 726,000
Consulting serv.	2,400	116,400
Credit serv.	700	101,800
Health & insur. syst.	29,200	101,000
Network serv.	25,200	81,000
Complementary serv.	—	26,200
Total	$ 921,400	$ 1,152,400

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 388,590,000	$ 24.27
1988	332,656,000	20.85
1987	284,813,000	18.42
1986	213,853,000	15.07
1985	186,221,000	13.56

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	3/31/89	4/1/88
Revenues	$ 1,304,414	$ 1,152,351
Cost of services	1,067,189	925,380
Overhead	98,885	101,057
Depreciation & amortization	31,090	32,018
Corporate expenses	19,416	16,321
Interest expense	8,051	9,464
Interest & other income	(4,257)	(3,240)
Minority interest	1,344	—
Gain from sale of oper.	(1,768)	—
Income bef. taxes	$ 84,464	$ 71,351
Income taxes	31,982	27,827
Net Income	$ 52,482	$ 43,524

Computer Sciences Corporation

Assets
(000's)

As of	3/31/89	4/1/88
Cash & cash equiv.	$ 76,370	$ 64,508
Receivables	324,186	302,620
Prepaid expenses & other curr. assets	26,969	31,996
Current Assets	$ 427,525	$ 399,124
Investments & other assets	173,261	140,647
#Fixed Assets	113,816	121,295
Total Assets	$ 714,602	$ 661,066

Liabilities
(000's)

Notes payable	$ 4,134	$ 10,060
Long-term debt., curr.	3,468	5,118
Accts. payable	26,891	31,750
Accrued payroll	73,017	62,261
Other accruals	33,504	39,490
Income taxes	104,007	95,946
Curr. Liabilities	$ 245,021	$ 244,625
Long-term debt	80,991	83,785
+Common stock	16,293	16,261
Add. paid-in capital	57,925	54,611
Retained earnings	320,399	267,917
For. curr. trans. adjust.	118	662
Treasury stock	(6,145)	(6,795)
Total Liabilities & Shareholders' Equity	$ 714,602	$ 661,066

# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.48	6.19
%Net Income to Sales	4.02	3.78
%Net Income to Equity	13.51	13.08
Debt to Equity	0.23	0.30
Working Capital	$ 182,504,000	$ 154,499,000
Current Ratio	1.74	1.63
Shareholders' Equity	$ 388,590,000	$ 332,656,000

Conner Peripherals, Inc.

3081 Zanker Road
San Jose, California 95134-2128
(408) 433-3340
FAX: (408) 433-3303

Officers: Finis F. Conner, chairman of the board & chief executive officer; William J. Schroeder, vice chairman; William J. Almon, president & chief operating officer; John P. Squires, exec. v.p.-research & development; C. Scott Holt, exec. v.p.; Carl W. Neun, sr. v.p.-administration & chief financial officer; Albert A. Pimentel, v.p.-finance.

Directors: Finis F. Conner, chairman; William J. Schroeder, John P. Squires, Mark S. Rossi, G. Jackson Tankersley, Jr, William J. Almon.

Areas of Work: Designs, manufactures and markets high performance 2.5 & 3.5.-inch Winchester disk drives used principally in desktop, portable and laptop notebook microcomputers based on 32-bit and higher performance 16-bit microprocessors.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CNNR (NASDAQ)

Number of Employees:

1989	5,000	1987	1,286
1988	2,898		

Plant Footage:

1989	1,000,000 sq. ft.	1987	216,000
1988	682,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 704,908,000	$ 41,449,000
1988	256,639,000	19,768,000
1987	113,236,000	11,377,000
1986	—	(4,339,000)
1985*	—	(160,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	37,949,000	$ 1.09
1988	34,297,000	0.58
1987	26,450,000	0.43
1986	13,277,000	—
1985*	2,110,000	—

(Loss)
* 28 weeks
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 200,836,000	$ 5.29
1988	105,402,000	3.07
1987	45,559,000	1.72
1986	8,042,000	0.61
1985	109,000	0.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 704,908	$ 256,639
Cost of sales	556,094	201,512
Expenses		
Res. & develop.	39,653	8,607
Sell., gen. & adm.	46,002	19,464
Oper. profit	$ 63,159	$ 27,056
Othe expense (income)	7,040	(236)
Income before taxes	$ 56,119	$ 27,292
Income taxes	14,670	7,524
Net Income	$ 41,449	$ 19,768

* Included in Costs and Expenses, Depreciation and Amortization: $14,702,000 in 1989 and $5,027,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 103,855	$ 9,657
Accts. receiv., net	124,512	47,940
Accts. receiv.-Compaq Computer	22,395	17,747
*Inventories	99,172	66,368
Deferred inc. taxes	6,333	5,700
Other curr. assets	9,847	3,324
Current Assets	$ 366,114	$ 150,736
#Fixed assets	98,312	44,233
Invest. in joint venture	—	2,022
Other assets	3,669	645
Total Assets	$ 468,095	$ 197,636

Liabilities
(000's)

Long-term debt, curr.	$ 6,445	$ 4,660
Accts. payable	90,550	53,001
Accruals	26,626	10,643
Curr. Liabilities	$ 123,621	$ 68,304
Long-term debt	122,893	19,383
Deferred inc. taxes	14,913	3,800
Other liabilities	3,317	747
Minority interest	2,515	—
+Common stock	132,741	78,756
Retained earnings	68,095	26,646
Total Liabilities & Shareholders' Equity	$ 468,095	$ 197,636

* At lower of standard (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.96	22.82
%Net Income to Sales	5.88	16.19
%Net Income to Equity	20.64	18.75
Sales to Inventories	7.11	1.83
Debt to Equity	0.64	0.23
Working Capital	$ 242,493,000	$ 82,432,000
Current Ratio	2.96	2.21
Shareholders' Equity	$ 200,836,000	$ 105,402,000

Control Data Corporation

8100 34th Avenue South
Minneapolis, Minnesota 55420
(612) 853-8100
FAX: (612) 853-5300

Mailing address:
P.O. Box 0
Minneapolis, Minnesota 55440-4700

Officers: Robert M. Price, chairman of the board & chief exec. officer; Lawrence Perlman, president & chief executive officer; Daniel R. Pennie, v.p., gen. counsel & secretary; David P. White, exec. v.p.- Information Services Group; Larry E. Jodsaas, president & chief exec.-VTC Inc.; William J. Schmitt, president-Automated Wagering; Anthony J. Aurichio, pres.-The Arbitron Company; Lois D. Rice, sr. v.p.-government affairs; Catherine A. Hapka, president-data services; William J. Miller, president-Micrognosis; Roger E. Handberg, v.p. & pres. -government systems; Patrick M. Delaney, president-business management services; Richard M. Rickenbach, v.p.; James E. Ousley, exec. v.p. & pres.- computer products.

Directors: William C. Norris, Charles Marshall, Norbert R. Berg*, Robert M. Price*, Richard G. Lareau*, Ruth M. Davis, Lawrence Perlman, Allen W. Dawson, Sigmund M. Hyman, Albert D. Etchelecu, Lois D. Rice, Richard W. Vieser.

* Member of the Executive Committee

Areas of Work: Develops, manufactures and markets computers, ranging from very large to small in size, and used in education, engineering, general data processing and specialized control systems worldwide; also makes and markets industrial instruments and controls and aerospace products. Markets computer peripheral equipment, including disk drives, magnetic tape transports, printers, card readers, card punches, terminals, data entry systems, mass storage systems and computer supplies, such as disk packs and magnetic tape. Provides computer services, data services utilizing communications networks and major computer centers, processes scientific, engineering and business data.

Divisions and Subsidiaries:

Computer Systems and Services
Information Services
Data Storage Products
Government Systems

Arbitron Ratings Company
4320 Ammendale Road
Beltsville, Maryland 20705

Autocon Industries, Inc.
2200 Berkshire Lane
Minneapolis, Minnesota 55427

Laser Magnetic Storage International (49% interest)
Produces optical disk and magnetic tape data storage devices.

Magnetic Peripherals Inc. (90%-owned)
Manufactures disk drives.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest, Pacific, Frankfurt, Lausanne, Geneva, Zurich, Basle, Amsterdam.

Ticker Symbol: CDA

Number of Employees:

1989	18,000	1986	34,409
1988	33,500	1985	38,856
1987	34,500		

Plant Footage: *

1989	N.A.	1987	5,600,000
1988	5,400,000 sq. ft.		

* Manufacturing and warehousing facilities.
N.A.-Not Available

Sales & Earnings

	Revenues (000's)	Net Income † (000's)
1989	$ 2,934,500	$ (680,400)
1988	3,628,300	1,700
1987	3,366,500	19,300
1986	3,346,700	(264,500)
1985	3,679,700	(567,500)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	42,256,000	$ —
1988	41,886,000	0.03
1987	41,505,000	0.45
1986	40,912,000	—
1985	39,022,000	—

(Loss)
† Including extraordinary gain of $4,000,000 in 1986 and extraordinary loss of $5,700,000 ($0.14 per share) in 1987.
‡ Based on the weighted average number of common stock and common stock equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
The Arbitron Company	$ 290,000	$ 343,000
Automated Wagering/ Ticketron	160,300	129,300
Business Management Svcs.	170,500	141,400
Computer Products	835,900	1,058,900
Data Services	106,000	133,200
Empros Systems International	93,000	93,300
Government Systems	367,400	339,100
Micrognosis	99,100	97,400
Imprimis/Data Storage Prods.	751,000	1,146,000
Other	61,300	146,700
Total	$ 2,934,500	$ 3,628,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	0.54	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1989	$ 400,600	$ 9.43
1988	1,043,300	24.97
1987	1,036,600	24.85
1986	980,200	23.72
1985	1,191,600	29.21

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales & rentals	$ 1,672,600	$ 2,127,400
Services	1,261,900	1,500,900
Total revenues	$ 2,934,500	$ 3,628,300
Cost of sales & rentals	1,270,000	1,603,600
Cost of services	776,000	920,200
Expenses	552,300	643,700
Technical expenses	289,200	394,300
Interest expense	49,100	47,200
Partnership distr.	2,900	8,500
Oper. & invest. restruc.	663,300	(5,600)
Inc. (loss) bef. taxes	$ (668,300)	$ 16,400
Income taxes	13,500	16,600
Minority interest	(1,400)	(1,900)
Net Income (Loss)	$ (680,400)	$ 1,700

* Included in Costs and Expenses, Depreciation and Amortization: $151,200,000 in 1989 and $194,300,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 524,700	$ 197,900
Accts. receiv., net	483,200	709,300
*Inventories	245,000	730,900
Other curr. assets	20,700	36,900
Current Assets	$ 1,273,600	$ 1,675,000
Investments	197,200	119,300
†Leased & data ctr. equip.	120,400	141,000
#Fixed assets	170,500	450,900
Other assets	99,000	147,300
Total Assets	$ 1,860,700	$ 2,533,500

Liabilities
(000's)

Notes payable & long-term debt. curr.	$ 26,200	$ 40,500
Liab. for payroll tax filing deposits	230,100	166,500
Accts. payable	84,700	176,000
Cust. advances	65,000	110,300
Accrued taxes	36,400	48,400
Accrued payroll	68,800	104,300
Restruc. reserves	178,300	12,300
Other accruals	153,200	260,600
Curr. Liabilities	$ 842,700	$ 918,900
Long-term debt	352,300	379,400
Deferred inc. taxes	3,500	12,700
Restruc. reserves	171,900	51,100
Minority interest	300	16,600
Other liabilities	78,500	100,600
+Preferred stock	10,900	10,900
++Common stock	21,400	21,100
Add. paid-in capital	582,700	576,600
Retained earnings (deficit)	(161,800)	519,000
For. curr. trans. adjust.	(23,800)	(45,500)
Other equity items	(17,900)	(27,900)
Total Liabilities & Shareholders' Equity	$ 1,860,700	$ 2,533,500

* At cost (FIFO or average) not in excess of realizable values.
† Less accumulated depreciation.
# Less accumulated depreciation and amortization.
+ $100 par value; 4 1/2% cumulative.
++ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	0.77
%Net Income to Revenues	—	0.08
%Net Income to Equity	—	0.16
Debt to Equity	0.92	0.40
Working Capital	$ 430,900,000	$ 756,100,000
Current Ratio	1.51	1.82
Shareholders' Equity	$ 411,500,000	$ 1,054,200,000

Cooper Industries, Inc.

First City Tower
1001 Fannin Street, 40th Floor
Houston, Texas 77002
(713) 739-5400
FAX: (713) 739-5555

Mailing address:
P.O. Box 4446
Houston, Texas 77210

Officers: Robert Cizik, chairman & president; Alan E. Riedel, sr. v.p.-administration; Dewain K. Cross, sr. v.p.-finance; C. Baker Cunningham, exec. v.p.-operations; H. John Riley, Jr., exec. v.p.-operations; Michael J. Sebastian, exec. v.p.-operations; Thomas W. Campbell, v.p.-public affairs; Joseph R. Coppola, sr. v.p.-manufacturing services; D. Bradley McWilliams, v.p.-taxes & real estate; Carl J. Plesnicher, Jr., v.p.-employee relations & environment affairs; Laurence H. Polsky, v.p.-personnel; Alan J. Hill, v.p. & treasurer; Donald R. Sheley, Jr., v.p. & controller; David A. White, Jr., v.p.-corp. planning & development; Diane K. Schumacher, corp. secretary.

Directors: Robert Cizik, chairman; Warren L. Batts, Constantine S. Nicandros, Clifford J. Grum, Harold S. Hook, Frank Olson, John D. Ong, Alan E. Riedel, Robert M. Price, Jack W. Schuler.

Areas of Work: The Company is engaged in five primary areas of business: Electrical Products, Electrical Power Equipment, Tools & Hardware, Automotive Products, Petroleum and Industrial Equipment. The Electrical Products operations manufacture equipment for secondary electrical power distribution, and electronic signal transmission and control for distribution to residential, industrial and commercial users. The Electrical Power Equipment operations manufacture equipment for primary electrical power transmission and distribution to utilities and industrial end users. The operations included in the Tool & Hardware segment are leading manufacturers and marketers of high-quality, brand name tools, industrial power tools, hardware, and window coverings used by consumers, craftsmen, and industrial workers. The automotive Products segment provides a variety of automotive and aviation parts for automotive original equipment manufacturers, and for the aerospace industry. The Petroleum & Industrial Equipment operations provide a broad line of machinery and aftermarket support services to oil and natural gas drilling and compression markets, industrial users, and mining and construction industries worldwide.

Divisions and Subdivisions:

Electrical & Electronic Products:

Cooper Industries, Inc.

Belden Wire and Cable
2200 U.S. Highway 27 South
Richmond, Indiana 47374
(317) 983-5200

Bussmann
114 Old State Road
Ellisville, Missouri 63021
(314) 394-2877

Cooper Electrical Distribution Products
Route 660
Earlysville, Virginia 22936
(804) 973-4411

Cooper Lighting Group
400 Busse Road
Elk Grove Village, Illinois 60007-2195
(312) 956-8400

Halo Lighting
400 Busse Road
Elk Grove Village, Illinois 60007-2195

Metalux Lighting
Southerfield Road
Americus, Georgia 31709

Cooper Lighting-HID
Highway 61 South
Vicksburg, Mississippi 39180
(601) 638-1522

Crouse-Hinds Electrical Construction Materials
Wolf & Seventh North Street
Syracuse, New York 13221
(315) 477-7000

Cooper Air Tools
670 Industrial Drive
Lexington, South Carolina 29072-1410
(803) 359-1200

Cooper Power Systems
420 Rouser Road
Airport Office Park Building #3
Coraopolis, Pennsylvania 15108
(412) 269-6700

CooperTools
3535 Glenwood Avenue
Raleigh, North Carolina 27612
(919) 781-7200

Kirsch
309 North Prospect Street
Sturgis, Michigan 49091
(616) 651-0211

Anco Products
900 Upton Avenue
Toledo, Ohio 43607
(419) 535-2567

Champion Aviation Products
330 Pelham Road, Suite 200
Greenville, South Carolina 29615
(803) 370-9655

Champion Spark Plug
900 Upton Avenue
Toledo, Ohio 43607
(419) 535-2567

Wagner Brake
930 Roosevelt Parkway
Chesterfield, Mississippi 63017

Wagner Lighting
100 Misty Lane
Parsippany, New Jersey 07054
(201) 386-9300

Cameron Forged Products
22301 Hempstead Highway
Houston, Texas 77040
(713) 939-2211

Cooper Oil Tool
Northwest Crossing
13013 Northwest Freeway
Houston, Texas 77040-6390
(713) 939-2211

Energy Services Group
North Sandusky Street
Mount Vernon, Ohio 43050
(614) 393-8200

Ajax-Superior
1401 Sheridan Avenue
Springfield, Ohio 45505
(513) 327-4200

Cooper-Bessemer Reciprocating
Lincoln Avenue
Grove City, Pennsylvania 16127
(412) 458-8000

Cooper-Bessemer Rotating
North Sandusky Avenue
Mt. Vernon, Ohio 43050
(614) 393-8200

Gardner-Denver Mining & Construction
1700 Blue Hills Drive N.E.
Roanoke, Virginia 24012-8601
(703) 343-1837

Industrial Machinery
1800 Gardner Expressway
Quincy, Illinois 62301-4024
(217) 222-5400

Turbocompressor
3101 Broadway
Buffalo, New York 14225
(716) 896-6600

Transfer Agent(s):

First City, Texas-Houston, N.A.
Houston, Texas

Stock Exchange(s): New York, Pacific

Ticker Symbol: CBE

Number of Employees:

1989	58,100	1986	40,200
1988	46,300	1985	46,000
1987	43,200		

Plant Footage:

1989	36,739,000 sq. ft.	1987	35,593,000
1988	36,603,000		

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1989	$ 5,129,438	$ 267,804
1988	4,258,275	224,362
1987	3,585,785	173,811
1986	3,433,296	147,722
1985	3,067,169	135,080

	No. of Com. Shares †	Earn. per Share †
1989	105,101,000	$ 2.51
1988	101,688,000	2.21
1987	100,214,000	1.73
1986	97,190,000	1.52
1985	85,390,000	1.39

† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Electrical products	$ 1,585,000	$ 1,510,800
Electrical power equip	696,200	566,700
Tools & hardware	864,800	831,400
Automotive prods	885,700	428,700
Petroleum & industrial equip	1,083,100	912,300
Other	14,600	8,400
Total	$ 5,129,400	$ 4,258,300

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	0.90	—	
1987	0.90	—	—
1986	0.80	—	—
1985	0.76	—	—

+ Adusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1989	$ 1,979,356	$ 18.21
1988	1,770,777	17.47
1987	1,591,922	15.90
1986	1,418,885	14.66
1985	1,221,568	13.56

‡ After allowing for preferred stock at liquidation values.
# Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 5,129,438	$ 4,258,275
Cost of revenues	3,451,290	2,904,336
Expenses	831,944	701,859
Depreciation & amortization	188,943	154,650
Interest expense	182,597	111,922
Income before taxes	$ 474,664	$ 385,508
Income taxes	206,860	161,102
Net Income	$ 267,804	$ 224,406

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 28,515	$ 6,969
Receiv., net	1,097,269	738,960
*Inventories	1,451,690	1,043,499
Other curr. assets	221,583	173,259
Current Assets	$ 2,799,057	$ 1,962,687
#Fixed assets	1,647,928	1,115,181
Intangibles	2,221,569	1,261,936
Investments	76,402	44,172
Total Assets	$ 6,744,956	$ 4,383,976

Liabilities
(000's)

Short-term debt	$ 192,429	$ 105,641
Long-term debt. curr.	64,353	23,969
Accts. payable & accruals	1,480,034	971,388
Income taxes	44,725	61,623
Curr. Liabilities	$ 1,781,541	$ 1,162,621
Long-term debt	1,828,564	1,170,267
Deferred inc. taxes	218,116	218,952
Other liabilities	220,147	60,424
+Series B preferred stock	344	510
++$8.00 preferred stock	6,314	—
+++Common stock	543,521	506,893
Add. paid-in capital	945,406	37,753
Retained earnings	1,364,512	1,221,429
Guarantee of ESOP debt	(169,676)	—
Translation component	6,167	5,127
Total Liabilities & Shareholders' Equity	$ 6,744,956	$ 4,383,976

* At lower of cost (primarily LIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value; $2.50 cumulative convertible.
++ $1 par value; $8.00 convertible exchangeable.
+++ $5 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.25	9.05
% Net Income to Sales	5.22	5.27
% Net Income to Equity	9.93	12.67
Sales to Inventories	3.53	4.08
Debt to Equity	0.77	0.73
Working Capital	$ 1,017,516,000	$ 800,066,000
Current Ratio	1.57	1.69
Shareholders' Equity	$ 2,696,588,000	$ 1,771,712,000

Corcom, Inc.

1600 Winchester Road
Libertyville, Illinois 60048
(708) 680-7400

Officers: Werner E. Neuman, president; Michael B. Head, v.p.-manufacturing; Charles R. Whitchurch, v.p.-finance & treasurer; Walter Roth, secretary.

Directors: Werner E. Neuman, David B. Pivan, Herbert L. Roth, Walter Roth, Gene F. Straube, Renato Tagiuri.

Areas of Work: Manufactures and markets power line interference filters which control radio frequency interference emitted by electronic equipment. The filters prevent malfunctions in electronic devices and suppress noise pollution.

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CORC (NASDAQ)

Number of Employees:

1988	N.A.	1985	554
1987	932	1984	1,285
1986	774		

Plant Footage:

1988	N.A.	1985	N.A.
1987	225,000 sq. ft.	1984	233,000
1986	211,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1988	$ 32,948,000	$ (2,588,000)
1987	23,916,000	522,000
1986	20,476,000	(399,000)
1985	19,547,000	(3,956,000)
1984	32,350,000	2,895,000

	No. of Com. Shares	Earn. per Share ‡
1988	3,560,543	$ —
1987	3,558,547	0.15
1986	3,463,806	—
1985	3,468,634	—
1984	3,468,964	0.83

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 19,792,000	$ 5.56
1987	22,373,000	6.29
1986	21,553,000	6.22
1985	21,974,000	6.34
1984	25,933,000	7.48

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 32,948,000	$ 23,916,000
Cost of sales	22,877,000	14,465,000
Engineering expenses	1,812,000	1,127,000
Sell., adm. & other expenses	9,331,000	7,654,000
Interest expense	145,000	139,000
Interest income	(50,000)	(331,000)
Reorganization exp.	1,200,000	—
Inc. (loss) before taxes	$ (2,367,000)	$ 862,000
Income taxes	221,000	340,000
Net Income (Loss)	$ (2,588,000)	$ 522,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,431,000 in 1988 and $1,386,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash & cash equiv.	$ 370,000	$ 2,490,000
Accts. receiv., net	5,404,000	4,521,000
*Inventories	9,630,000	9,865,000
Other curr. assets	656,000	646,000
Current Assets	$ 16,060,000	$ 17,522,000
#Fixed assets	7,827,000	8,122,000
Intangibles	1,096,000	1,087,000
Other assets	153,000	213,000
Total Assets	$ 25,136,000	$ 26,944,000

Liabilities

Notes payable	$ 705,000	$ 100,000
Long-term debt, curr.	75,000	68,000
Accts. payable	1,554,000	1,554,000
Income taxes	45,000	21,000
Other accruals	1,734,000	1,520,000
Curr. Liabilities	$ 4,113,000	$ 3,263,000
Long-term debt	1,231,000	1,308,000
+Common stock	13,656,000	13,654,000
Retained earnings	6,136,000	8,724,000
Treasury stock	—	(5,000)
Total Liabilities & Shareholders' Equity	$ 25,136,000	$ 26,944,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.60
%Net Income to Sales	—	2.18
%Net Income to Equity	—	2.33
Sales to Inventories	3.42	2.42
Debt to Equity	0.10	0.07
Working Capital	$ 11,947,000	$ 14,259,000
Current Ratio	3.90	5.37
Shareholders' Equity	$ 19,792,000	$ 22,373,000

Core Industries Inc

500 North Woodward
P.O. Box 2000
Bloomfield Hills, Michigan 48013
(313) 642-3400
FAX: (313) 642-6816

Officers: Harold M. Marko, chairman & chief exec. officer; Richard T. Walsh, president & chief operating officer; Lawrence J. Murphy, v.p.-finance & secretary; Thomas G. Hooper, treasurer & controller; Robert W. Hoon, staff manager-audit; William A. Handelman, staff manager-systems development.

Directors: Harold M. Marko, chairman; Richard T. Walsh, Charles W. Elliott, Alan E. Schwartz, Robert G. Stone, Jr., Richard P. Kughn.

Areas of Work: A diversified company, manufacturing products within four major groups: electronics, farm equipment, fluid controls and construction products, and industrial products.

Divisions and Subsidiaries:

Electronics Group

Amprobe Instrument
Lynbrook, New York
Manufactures electrical testing devices and recorders.

Anilam Electronics Corporation
Miami, Florida
Manufactures productivity-improving equipment.

Hilton Industries, Inc.
Sarasota, Florida
Manufactures tantalum capacitors and custom winding machines.

GSE, Inc.
Farmington Hills, Michigan
Manufactures load cells, torque sensors, special purpose transducers,measuring instruments and control systems.

Great Lakes-Eglinton
Bridgeport, Michigan
Special carbide tooling and gauging.

Cherokee International, Inc.
Tustin, California
Manufactures and markets a broad range of power supplies, primarily for the electronics OEM industry.

Pasar, Inc.
Denver, Colorado
Designs and manufactures electronic, hand-held wire and cable tracing instruments for the electrical industry.

FlexStar, Inc.
San Jose, California
Manufactures disk drive test equipment.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
Fourth Floor
New York, New York 10005

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: CRI

Number of Employees:

1989	2,950	1987	2,100
1988	2,700	1986	1,950

Plant Footage:*

1989	376,000 sq. ft.	1987	295,500
1988	366,500	1986	200,500

* Electronics operations only.

Sales & Earnings

	Net Sales †	Net Income
1989	$ 239,039,000	$ 7,100,000
1988	208,786,000	10,212,000
1987	168,148,000	7,963,000
1986	163,513,000	6,714,000
1985	137,145,000	10,805,000

	No. of Com Shares	Earn per Share ‡
1989	9,775,000	$ 0.73
1988	9,775,000	1.05
1987	9,770,000	0.82
1986	9,759,000	0.69
1985	9,746,000	1.11

† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electronics	$ 115,140,000	$ 107,708,000
Farm equipment	35,870,000	32,599,000
Fluid controls & construc. prods.	75,216,000	56,545,000
Industrial prods.	12,813,000	11,934,000
Total	$ 239,039,000	$ 208,786,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.710	—	—
1988	0.670	—	
1987	0.630	—	—
1986	0.590	—	—
1985	0.550	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 99,630,000	$ 10.19
1988	99,470,000	10.18
1987	96,127,000	9.84
1986	94,261,000	9.66
1985	93,235,000	9.57

Income Account

Year ended Aug. 31	1989	1988
Net sales	$ 239,039,143	$ 208,785,985
Cost of sales	161,675,039	133,554,044
Expenses	53,671,231	50,850,213
Depreciation & amortization	7,236,843	6,324,646
Interest expense	6,425,644	3,141,902
Other income	(1,149,550)	(796,563)
Income before taxes	$ 11,179,936	$ 15,711,743
Income taxes	4,080,000	5,500,000
Net Income	$ 7,099,936	$ 10,211,743

Assets

As of Aug. 31	1989	1988
Cash	$ 1,069,416	$ 639,089
Accts. receiv, net	64,077,953	57,559,952
*Inventories	73,269,751	66,030,715
Prepaid expenses	2,969,118	2,631,963
Deferred inc. taxes	286,000	—
Current Assets	$ 141,672,238	$ 126,861,719
#Fixed assets	33,695,384	31,121,038
Other assets	22,463,172	24,212,603
Total Assets	$ 197,830,794	$ 182,195,360

Liabilities

Notes payable	$ 19,900,000	$ 33,000,000
Long-term debt, curr	840,000	1,010,000
Accts. payable	12,813,672	11,634,336
Accrued payroll	10,311,840	11,189,064
Dividends payable	1,759,535	1,661,783
Income taxes	310,951	1,223,667
Deferred income taxes	—	74,000
Curr. Liabilities	$ 45,935,998	$ 59,792,850
Long-term debt	49,064,936	19,902,197
Deferred inc. taxes	3,200,000	3,030,000
+Common stock	11,185,356	11,185,356
Add. paid-in capital	449,428	449,428
Retained earnings	94,692,910	94,533,363
Treasury stock	(6,697,834)	(6,697,834)
Total Liabilities & Shareholders' Equity	$ 197,830,794	$ 182,195,360

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.68	7.53
%Net Income to Sales	2.97	4.89
%Net Income to Equity	7.13	10.27
Sales to Inventories	3.26	3.16
Debt to Equity	0.70	0.54
Working Capital	$ 95,736,240	$ 67,068,869
Current Ratio	3.08	2.12
Shareholders' Equity	$ 99,629,860	$ 99,470,313

Corning Incorporated

(formerly Corning Glass Works)

Houghton Park
Corning, New York 14831
(607) 974-9000
FAX: (607) 974-8150

Officers: James R. Houghton, chairman & chief executive officer; Van C. Campbell, vice chairman; David A. Duke, vice chairman; James E. Riesbeck, exec. v.p.; Richard Dulude, president-Electronics and Telecommunications Group; E. Martin Gibson, president-Health and Science Group; Roger G. Ackerman, president-Specialty Glass and Ceramics Group; William C. Ughetta, sr. v.p. & general counsel; Robert C. Buhrmaster, sr. v.p. & controller; Richard B. Klein, v.p. & treasurer; A. John Peck, Jr., secretary.

Directors: James R. Houghton, chairman; David A. Duke, Van C. Campbell, Mary L. Bundy, Edward L. Palmer, Henry Rosovsky, Robert G. Stone, Jr., Robert S. McNamara, Robert Barker, Richard Dulude, E. Martin Gibson, Roger G. Ackerman, Vernon E. Jordon, Jr., James J. O'Connor, James W. Kinnear, William D. Smithburg, John M. Hennessy.

Areas of Work: Operates in four broad industry segments: Consumer products - manufactures tablewares and housewares including glass and glass-ceramic cookware for cooking, serving, and storing food, indoor plant containers, and "Steuben" lead crystal. Communications - manufactures optical fibers for use in voice, video, or data transmission, optical cable (which encloses the fiber), glass for TV picture tubes and monitors, and electronic devices. Specialty materials manufactures ceramic substrates for automatic emission-control systems, sealed-beam components and tungsten-halogen tubing for headlights, tooth-replacement ceramic, silicone products, and foam-glass insulation.

Subsidiaries:

MetPath Inc.
Teterboro, New Jersey

Corning Australia Pty. Limited
Auburn, N.S.W., Australia

Corning Asahi Video Products Company (39.4% owned)
Corning, New York

Corning International Corporation
Corning, New York

Corning Keramik GmbH & Co.KG
Kaiserslautern, West Germany

Corning Canada Inc.
Toronto, Ontario, Canada

Corning GmbH
Wiesbaden, West Germany

Corning Limited
Sunderland, England

Corning Europe Inc.
Slough, England

Corning Japan K.K.
Tokyo, Japan

Corning S.p.A.
Milan, Italy

Corning Trading (Singapore) Pte. Ltd.
Singapore

Corning France, S.A.
Avon, France

Corning Enterprises, Inc.
Corning, New York

Q.V.F. Glastechnik GmbH
Wiesbaden, West Germany

Saint-Amand Manufacturing Company Inc.
San Fernando, California

Enseco Incorporated
Somerset, New Jersey

G.H. Besselaar Associates
Princeton, New Jersey

Teddington Company Limited
Hamilton, Bermuda

Corning Brasil-Vidros Especiais Ltda.
Sao Paulo, Brazil

U.S. Precision Lens Inc.
Cincinnati, Ohio

Dow Corning Corporation (50% owned)
Midland, Michigan

Pittsburgh Corning Corporation (50% owned)
Pittsburgh, Pennsylvania

Hua-mei International Glass Engineering Company Ltd.
(50% owned)
Beijing, China

PCO Inc. (25% owned)
Chatsworth, California

Raycom Systems Inc. (42.4% owned)
Boulder, Colorado

Iwaki Glass Company, Ltd. (33.4% owned)
Tokyo, Japan

Optical Fibres (50% owned)
Clywd, Wales

Pittsburgh Corning Europe, N.V. (50% owned)
Brussels, Belgium

Samsung-Corning Company Ltd. (50% owned)
Seoul, Korea

Siecor GmbH (50% owned)
Munich, West Germany

Optical Waveguides Australia Pty. Ltd. (50% owned)
Melbourne, Australia

Siecor GmbH & Co. KG (50% owned)
Neustadt, West Germany

N-Cor Ltd. (50% owned)
Tokyo, Japan

MetriCor Inc. (50% owned)
Woodinville, Washington

Siecor Corporation (50% owned)
Hickory, North Carolina

Cormetech Inc (50% owned)
Corning, New York

Vitri Corning GmbH & Co. KG
Muhltal, West Germany

Sicover, S.A. (45% owned)
Aniche, France

Cristalleria Artistica La Piana S.p.A. (23% owned)
Siena, Italy

Unilab Corporation (16.9% owned)
Norcross, Georgia

Hazleton Laboratories Corporation
Herndon, Virginia
Supplies life-science testing services and products

Iwaki-Corning Malaysia Ltd. (20% owned)
Johore Baru, Malaysia

Revere Ware Corporation
Clinton, Illinois
Manufactures stainless steel cookware

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Corporate Agency Department
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): * New York, Zurich, Boston, Midwest, Pacific, Philadelphia * Listed and/or traded

Ticker Symbol: GLW

Number of Employees:

1989	27,500	1986	25,100
1988	26,300	1985	24,600
1987	25,500		

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1989	$ 2,439,200	$ 261,000
1988	2,121,500	‡210,700
1987	2,083,700	207,500
1986	1,943,700	181,800
1985	1,754,400	136,400

	No. of Com. Shares +	Earn. per Share †+
1989	92,940,000	$ 2.80
1988	89,944,000	2.34
1987	92,130,000	2.25
1986	91,308,000	1.99
1985	89,266,000	1.53

† Including extraordinary gains of $1,600,000 ($0.02 per share) in 1989, $2,200,000 ($0.02 per share) in 1988, $4,200,000 ($0.05 per share) in 1987, $14,900,000 ($0.16 per share) in 1986 and $5,600,000 ($0.06 per share) in 1985.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1989	1988
Specialty materials	$ 672,300	$ 652,100
Communications	503,400	363,400
Laboratory services	580,800	491,200
Consumer products	682,700	614,800
Total	$ 2,439,200	$ 2,121,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.05		
1988	0.96		
1987	0.71		
1986	0.70		
1985	0.56		

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity * (000's)	Equity Per Share +
1989	$ 1,711,200	$ 18.41
1988	1,560,700	17.35
1987	1,535,700	16.63
1986	1,395,600	15.28
1985	1,224,700	13.72

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Net sales	$ 2,439,200	$ 2,121,500
Other income	29,600	30,800
Non-oper. gains	107,100	149,200
Total income	$ 2,575,900	$ 2,301,500
Cost of sales	1,600,900	1,405,200
Expenses	601,400	533,800
Prov. for restruc. costs	54,400	32,000
Interest expense	44,500	41,000
Other expense	20,900	18,900
Income before taxes	$ 253,800	$ 270,600
Income taxes	116,400	101,200
Equity in earnings of assoc. companies	(126,700)	(127,200)
Minority interest	4,200	2,200
Net Income	$ 259,400	$ 292,400
Extraord. gain	1,600	2,200
Cum. effect of change in acctg. method		(83,900)
Net Income & extraord. gain	$ 261,000	$ 210,700

* Included in Costs and Expenses, Depreciation and Amortization: $171,300,000 in 1989 and $153,900,000 in 1988.
‡ Restated

Assets
(000's)

As of	12/31/89	1/1/89
Cash	$ 36,500	$ 29,400
Short-term invest.	316,300	127,100
Accts. receiv., net	452,400	397,500
*Inventories	238,500	254,000
Deferred inc. taxes & other curr. assets	125,600	121,800
Current Assets	$ 1,169,300	$ 929,800
Investments	826,000	818,300
≠ Fixed assets	1,160,600	991,500
Other assets	204,800	158,300
Total Assets	$ 3,360,700	$ 2,897,900

Liabilities
(000's)

Loans payable	$ 40,400	$ 18,500
Accts. payable	158,600	125,100
Other accruals	483,000	365,100
Curr. Liabilities	$ 682,000	$ 508,700
Other liabilities	212,500	223,200
Loans payable	624,500	499,000
Deferred invest. credits & deferred inc. taxes	53,100	71,000
Minority interest	45,800	35,300
+ Redeem. pref. stock	31,600	—
++ Common stock	255,500	233,800
Retained earnings	1,436,400	1,275,500
Cum. trans. adjust	19,300	51,400
Total Liabilities & Shareholders' Equity	$ 3,360,700	$ 2,897,900

* At lower or cost (primarily LIFO) or market.
≠ Less accumulated depreciation
+ $100 par value, 8% cumulative convertible.
++ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	10.41	12.76
% Net Income to Sales	10.63	13.78
% Net Income to Equity	15.16	18.74
Sales to Inventories	10.23	8.35
Debt to Equity	0.39	0.33
Working Capital	$ 487,300,000	$ 421,100,000
Current Ratio	1.71	1.83
Shareholders' Equity	$ 1,711,200,000	$ 1,560,700,000

CPT Corporation

8100 Mitchell Road
P.O. Box 295
Minneapolis, Minnesota 55344-9833
(612) 937-8000
FAX (612) 937-1858

Officers: Dean F. Scheff, chairman of the board; David B. Clinton, president & chief executive officer; Gerald L. Cox, vice president; James H. Kaufenberg, v.p. & chief financial officer; Theodore Manakas, vice president; David Priebe, v.p., secretary & general counsel.

Directors: Dean F. Scheff, chairman; Thomas G. Herschbach; John R. MacLennan; Mark P. Friedlander, Jr.; Arthur B. Sims.

Areas of Work: The Company markets, sells and supports office information systems and integration services worldwide.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPTC (NASDAQ)

Number of Employees:

1989	201	1986	1,084
1988	638	1985	1,463
1987	981		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 63,567,000	$ (25,878,000)
1988	93,314,000	(18,985,000)
1987	101,293,000	(34,843,000)
1986	116,027,000	(21,500,000)
1985	149,301,000	(2,993,000)

	No. of Com Shares	Earn per Share ‡ #
1989	14,451,197	$ —
1988	14,451,197	—
1987	14,401,197	—
1986	15,812,197	—
1985	16,088,197	—

(Loss)
‡ Including extraordinary gain of $2,123,000 in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 11,591,000	$ 0.80
1988	36,935,000	2.56
1987	56,060,000	3.89
1986	97,894,000	6.19
1985	120,691,000	7.50

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 50,212	$ 75,270
Rentals & maint	13,355	18,044
Total revenues	$ 63,567	$ 93,314
Cost of sales	33,388	52,011
Cost of rentals & maint.	10,227	11,197
Expenses	28,320	36,291
Prod. develop	6,106	9,396
Prov. for restruc	9,456	3,110
Interest expense	1,875	1,837
Loss bef. taxes	$ (25,805)	$ (20,528)
Income taxes	73	580
Net Loss	$ (25,878)	$ (21,108)
Extraord. gain	—	2,123
Net Loss & extraord. gain	$ (25,878)	$ (18,985)

* Included in Costs and Expenses, Depreciation and Amortization: $4,956,000 in 1989 and $6,781,000 in 1988

Assets
(000's)

As at June 30	1989	1988
Cash & cash equiv	$ 11,136	$ 16,364
Accts. receiv., net	9,643	26,882
*Inventories	12,262	19,469
Other curr. assets	2,973	2,315
Current Assets	$ 36,014	$ 65,030
#Rental equip. & spares	3,714	4,957
#Fixed assets	2,974	17,356
#Prop. sold & leased back	9,475	—
Other assets	5,833	5,283
Total Assets	$ 58,010	$ 92,626

Liabilities
(000's)

	1989	1988
Notes payable	$ —	$ 2,811
Loug-term debt, curr	—	352
Accts. payable	4,361	5,699
Accrued liab	7,277	8,521
Deferred revenue	106	4,574
Curr. Liabilities	$ 11,744	$ 21,957
Long-term debt	—	2,571
Convert. subord. deben	30,413	30,413
Deferred inc. taxes	550	550
Deposit on prop. sold & leased back	3,712	—
Minority interest	—	200
+Common stock	723	723
Add. paid-in capital	36,574	36,574
Retained earnings (deficit)	(25,629)	249
Foreign curr. trans.	(77)	(611)
Total Liabilities & Shareholders' Equity	$ 58,010	$ 92,626

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value

Statistical Summary

	1989	1988
Sales to Inventories	4.09	3.87
Debt to Equity	—	0.16
Working Capital	$ 24,270,000	$ 43,073,000
Current Ratio	3.07	2.96
Shareholders' Equity	$ 11,591,000	$ 36,935,000

Cray Research, Inc.

608 Second Avenue South
Minneapolis, Minnesota 55402
(612) 333-5889
FAX: (612) 334-6726

Officers: John A. Rollwagen, chairman of the board & chief exec. officer; Marcelo A. Gumucio, president & chief operating officer; Lester T. Davis, exec. v.p.-Chippewa operations; John F. Carlson, exec. v.p., chief financial officer & treasurer; Andrew Scott, vice chairman & counsel; Robert H. Ewald, exec. v.p.-software; Edward A. Masi, sr. v.p.-marketing; Michael G. Dickey, v.p.-international marketing; Don F. Whiting, v.p.-manufacturing & asst. secretary; Richard F. Morris, v.p.-technical operations; Paul W. Dillingham, Jr., v.p.-government operations; Deborah E. Barber, v.p.-human resources; Gerald M. Brost, v.p.-engineering; Charles Beckenridge, v.p.-Government Marketing; Michael G. Wilhelm, v.p.-Americas Operation; Dennis J. McFadden, treasurer; Laurence L. Betterley, corp. controller; David E. Frasch, secretary & technology counsel; David P. Dyson, asst. secretary & corp. counsel; Mary K. McCormick, asst. secretary & international counsel.

Directors: Francis X. Driscoll, John A. Rollwagen, Andrew Scott, Robert L. Swiggett, Robert F. Zicarelli, Livio DeSimone, Marcelo A. Gumucio, Robert G. Potter

Areas of Work: Engaged in the design, development and manufacture of large-scale, high-speed computing systems intended for scientific applications, and the marketing and maintenance of such systems.

Subsidiaries:

Cray Research GmbH
Munich, West Germany

Cray Research Japan, Limited
Tokyo, Japan

Cray Canada Inc
Toronto, Canada

Cray Research B.V.
Rijswijk, The Netherlands

Cray Research (U.K.) Ltd
Bracknell, England

Cray Research France S.A.
Paris, France

Cray Research A.B.
Linkoping, Sweden

Cray Research S.r.l.
Milan, Italy

Cray Research (Australia) Pty. Ltd.
Melbourne, Australia

Cray Research (Suisse) S.A.
Geneva, Switzerland

Cray Asia/Pacific, Inc.
Taiwan

Cray Asia/Pacific, Inc.
Hong Kong

Cray Research (Korea) Ltd.
Seoul, Korea

Cray Research A/S
Trondheim, Norway

Cray Research, S.A.E.
Madrid, Spain

Cray Computadores do Brasil
Rio de Janeiro, Brazil

Cray Research S.P.R.L.
Brussels, Belgium

Cray Research OY
Espoo, Finland

Cray Research (India) Ltd.
New Delhi, India

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075

Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CYR

Number of Employees:

1989	4,700	1986	3,999
1988	5,237	1985	3,180
1987	4,308		

Plant Footage:

1989	N. A.	1986	823,800
1988	1,104,500 sq. ft.	1985	767,000
1987	967,600		

N.A.-Not Available

Sales & Earnings

	Revenue	Net Income
1989	$ 784,700,000	$ 89,045,000
1988	756,306,000	156,631,000
1987	687,336,000	147,076,000
1986	596,685,000	124,815,000
1985	380,158,000	75,610,000

	No. of Com. Shares	Earn per. Share #
1989	28,152,000	$ 3.02
1988	29,247,000	4.99
1987	30,761,000	4.65
1986	30,276,000	3.99
1985	29,807,000	2.49

Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 594,302,000	$ 21.11
1988	676,752,000	23.14
1987	610,614,000	19.85
1986	441,856,000	14.59
1985	304,944,000	10.23

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 574,667	$ 557,266
Leased systems	72,005	75,598
Service fees	138,028	123,442
Revenues	$ 784,700	$ 756,306
Cost of sales	251,599	177,175
Cost of leased systems	42,078	30,979
Cost of services	83,219	80,979
Expenses	290,514	249,217
Other income	(9,977)	(15,883)
Income before taxes	$ 127,267	$ 233,839
Income taxes	38,222	77,208
Net Income	$ 89,045	$ 156,631

* Included in Costs and Expenses, Depreciation and Amortization: $102,180,000 in 1989 and $83,247,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & temp. invest.	$ 68,423	$ 180,613
Accts. receiv., net	179,762	116,984
*Inventories	202,746	236,260
Prepaid expenses	6,429	4,581
Current Assets	$ 457,360	$ 538,438
Long-term receivables	8,154	8,559
#Leased systems & spares	105,635	89,987
#Fixed assets	205,130	198,370
Investments & other assets	179,474	156,079
Total Assets	$ 955,753	$ 991,433

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 50,241	$ 8,869
Accts. payable	35,997	23,154
Accrued expenses	67,987	68,787
Income taxes	35,253	56,274
Cust. adv. pay.	27,576	42,377
Curr. Liabilities	$ 217,054	$ 199,461
Long-term debt	144,397	109,924
Deferred inc. taxes	—	5,296
+Common stock	31,353	31,162
Add. paid-in capital	128,924	123,166
Retained earnings	594,843	632,992
Foreign curr. trans. adj.	(311)	1,122
Treasury stock	(160,507)	(111,690)
Total Liabilities & Shareholders' Equity	$ 955,753	$ 991,433

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Revenues	16.22	30.92
%Net Income to Revenues	11.35	20.71
%Net Income to Equity	14.98	23.14
Debt to Equity	0.33	0.18
Working Capital	$ 240,306,000	$ 338,977,000
Current Ratio	2.11	2.70
Shareholders' Equity	$ 594,302,000	$ 676,752,000

Cross & Trecker Corporation

505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343
FAX: (313) 296-4708

Officers: Norman J. Ryker, vice chairman & chief executive officer; Walter J. Aspatore, president; Johannes A. Buiteweg, v.p.-law & secretary; Donald P. Muench, treasurer; Thomas E. Neff, v.p.-, human resources; Roger John Lesinski, asst. secretary & corp. attorney; Larry A. Edwards, v.p.-finance; Larry C. Helber, controller.

Directors: Russell A. Hedden, chairman; Edward C. Mabbs, Ralph E. Cross, Thomas F. Russell, John F. Daly, Norman J. Ryker, Vincent R. Little, William P. Vititoe, Kenneth R. Stephanz, John G. Bollinger.

Areas of Work: Designs and builds special metal-cutting, assembly, and testing machines and integrated manufacturing systems. Also manufactures computer numerically-controlled machining centers, milling machines and turning machines, and computer-controlled multiple-machine flexible manufacturing systems. Designs and builds automated material handling systems for the foundry and power generating industries, grinding machines, flexible fabricating and inspection machines and systems.

Operating Units:

The Cross Company
17801 East Fourteen Mile Road
Fraser, Michigan 48026
(313) 293-3000

Special machine tools and systems for mid- to high-volume, low-variety manufacturing; transfer lines, flexible transfer lines, shuttle and dial machines, assembly systems, broaching machines, feed power units, drill heads, high-speed piston turning machines, diagnostic electronics.

Cross & Trecker Credit Corporation
505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

The Warner and Swasey Company
11000 Cedar Avenue
P.O. Box 94531
Cleveland, Ohio 44101
(216) 432-4009

Machine tools and measurement systems; horizontal turning machines, turret lathes and grinding machines for cylindrical parts; sheet-metal cutting, forming and punching machines and systems; measurement and autometrology systems; linear bearings.

Machine Remarketing Corporation
3611 Woodburn Avenue
Cincinnati, Ohio 45212
(513) 874-0015

Marketing of used and updated machinery, including appraisals, listing, storage, financing, sales and training.

Kearney & Trecker Corporation
11000 Theodore Trecker Way
Milwaukee, Wisconsin 53214
(414) 476-8300

Produces computer-controlled machine tools and multiple-machine flexible manufacturing systems.

Roberts Corporation
3001 West Main Street
Lansing, Michigan 48901
(517) 371-2460

Manufactures sand and mold handling systems, automatic pouring systems, and various support equipment for the foundry industry. Designs and builds automated material handling systems. Markets robots and automated guided vehicles.

Cross & Trecker Manufacturing
Warren, Michigan

Michigan Division
Warren, Michigan

Cross International
United Kingdom

Cross Europa-Werk, GmbH
West Germany

Alliance Automation Systems, Inc.
400 Trabold Road
Rochester, New York 14624
(716) 426-2700

Produces assembly automation machines and systems.

Sequoia Automation Systems, Inc.
Santa Clara, California

Designs and manufactures automated assembly systems, principally for printed circuit boards.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTCO (NASDAQ)

Number of Employees:

1989	3,900	1986	4,300
1988	4,000	1985	4,500
1987	4,100		

Plant Footage:

1989	2,500,000 sq. ft.	1986	2,500,000
1988	2,000,000	1985	3,000,000
1987	2,000,000		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income
1989	$ 456,689,000	$ (46,538,000)
1988	430,944,000	(23,590,000)
1987	423,577,000	(22,432,000)
1986	400,797,000	189,000
1985	404,392,000	11,743,000

	No. of Com. Shares #	Earn. per Share #
1989	12,393,000	$ —
1988	12,397,000	—
1987	12,415,000	—
1986	12,384,000	0.02
1985	12,355,000	0.95

N.A. - Not Available.
(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.80	—	—
1985	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 115,362,000	$ 9.31
1988	166,754,000	13.46
1987	187,936,000	15.28
1986	208,257,000	16.80
1985	209,911,000	16.98

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Revenues	$ 456,689	$ 430,944
Cost of revenues	393,585	362,165
Expenses	81,440	92,463
Prov. for loss on restruc.	21,272	2,103
Other expense (income)	(5,839)	413
Interest expense	10,800	7,375
Loss before taxes	$ (44,569)	$ (33,575)
Income taxes (credit)	1,969	(11,032)
Loss - cont. oper.	$ (46,538)	$ (22,543)
Loss - discont. oper.	—	(1,047)
Net Loss	$ (46,538)	$ (23,590)

* Included in Cost and Expenses, Depreciation: $15,357,000 in 1989 and $12,909,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 14,345	$ 13,620
Accts. receiv.	140,160	142,661
* Inventories	93,260	117,080
Other curr. assets	34,932	6,261
Current Assets	$ 282,697	$ 279,622
# Fixed assets	55,639	72,077
Other assets	19,400	30,307
Total Assets	$ 357,736	$ 382,006

Liabilities
(000's)

	1989	1988
Short-term debt	$ 2,180	$ 51,567
Long-term debt, curr.	30,496	211
Accts. payable	50,307	49,018
Advance payments	1,078	1,951
Accruals	63,777	54,034
Income taxes	3,722	3,602
Curr. Liabilities	$ 151,560	$ 160,383
Long-term debt	75,300	38,500
Deferred income	7,246	7,982
Deferred taxes	8,268	8,387
+ Common stock	12,456	12,456
Add. paid-in capital	24,241	24,241
Retained earnings	75,992	122,546
Cumulative translation adjustment	3,577	8,415
Treasury stock	(904)	(904)
Total Liabilities & Shareholders' Equity	$ 357,736	$ 382,006

* At lower of cost (primarily LIFO) or market. Remainder at FIFO or specific identification methods.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
Debt to Equity	0.94	0.54
Working Capital	$ 131,137,000	$ 119,239,000
Current Ratio	1.87	1.74
Shareholders' Equity	$ 115,362,000	$ 166,754,000

CTS Corporation

(33.1% owned by Dynamics Corporation of America)

905 N. West Boulevard
Elkhart, Indiana 46514
(219) 293-7511
FAX: (219) 293-6146

Officers: Joseph P. Walker, chairman, president & chief exec. officer; John P. Colglazier, exec. v.p. & chief operating officer; Richard B. Patterson, v.p.-finance & chief financial officer; Willie P. Ozbirn, v.p.-sales & marketing; Duane H. Daering, v.p.-human resources; David K. Sentman, v.p.-corp. development; Robert G. Early, v.p.; Jeannine M. Davis, v.p., secretary & general counsel; George T. Newhart, corporate controller; Gary N. Hoipkemier, treasurer.

Directors: Joseph P. Walker, chairman; Gerald H. Frieling, Jr., Andrew Lozyniak, Edward J. Mooney, Richard M. Ringoen, Lawrence J. Ciancia.

Areas of Work: Manufactures electronic components for consumer, industrial and military electronic equipment. Products include variable resistors (potentiometers and trimmers), cermet microelectronic products (resistor and/or capacitor networks, hybrid circuits and variable resistors), loudspeakers, quartz crystal products (quartz crystals, filters, oscillators and crystal component ovens), injection molded plastic products, solid state rectifiers, selector switches, tools and dies, and automation machinery.

Divisions and Subsidiaries:

Electromechanical Division
1142 West Beardsley Avenue
Elkhart, Indiana 46514
(219) 523-0210

Resistor Network Division
406 Parr Road
Berne, Indiana 46711
(219) 589-3111

Microelectronics Division
1201 Cumberland Avenue
West Lafayette, Indiana 47906
(317) 463-2565

Frequency Control Division
400 Reimann Avenue
Sandwich, Illinois 60548
(815) 786-8411

Tool, Die & Machine Division
3000 Engle Road
Fort Wayne, Indiana 46809
(219) 747-0531

Brownsville Division
1100 Roosevelt Street
Brownsville, Texas 78520
(512) 546-5184

CTS of Canada, Ltd.
80 Thomas Street
Streetsville, Ontario, Canada
(416) 826-1141

CTS Components Taiwan, Ltd.
Central 6th Road (Chung Liu Road)
P.O. Box 26020
Kaohsiung, Taiwan

CTS Singapore Pte., Ltd.
Republic of Singapore

Bentonville Division
1300 S.E. 8th Street
Bentonville, Arkansas 72712

Systems Division
New Hope, Minnesota

Circuits Division
Baldwin, Wisconsin

Connector Division
New Hope, Minnesota
Cokato, Minnesota

Switch Division
Paso Robles, California

CTS U.K. Ltd.
Blantyre, Scotland, United Kingdom

CTS Electronics Hong Kong, Ltd.
Kowloon, Hong Kong

CTS de Mexico, S.A.
Matamovos, Mexico

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: CTS

Number of Employees:

1989	5,931	1986	6,508
1988	6,374	1985	8,200
1987	6,642		

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 261,961,000	$ 14,253,000
1988	275,588,000	(3,920,000)
1987*	261,083,000	11,480,000
1986	245,547,000	(13,148,000)
1985	261,613,000	9,436,000

	No. of Com. Shares ‡	Earn per Share † ‡
1989	5,456,192	$ 2.61
1988	5,568,927	—
1987*	5,656,400	2.03
1986	5,654,174	—
1985	5,746,165	1.64

(Loss)
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary gains of $1,000,000 (0.18 per share) in 1987 and $6,299,000 in 1986.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.625	—	—
1988	0.500	—	
1987	0.625	—	—
1986	1.000	—	—
1985	1.000	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 124,878,000	$ 22.85
1988	115,937,000	21.09
1987	125,512,000	22.33
1986	116,869,000	20.66
1985	136,089,000	24.10

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Net sales	$ 261,961	$ 275,588
Cost of sales	209,973	221,286
Expenses	35,945	37,505
Prov. for dispos. of operations	—	15,450
Interest expense	1,623	2,820
Interest income	(1,869)	(1,604)
Other income	(1,092)	(709)
Income bef. taxes	$ 17,381	$ 840
Income taxes	3,128	3,035
Inc. (loss)-cont. oper.	$ 14,253	$ (2,195)
Loss-discont. oper.	—	(1,100)
Cum. effect of acct. change	—	(625)
Net Income (Loss)	$ 14,253	$ (3,920)

* Included in Costa and Expenses, Depreciation and Amortization: $13,396,000 in 1989 and $26,409,000 in 1988.

Assets
(000's)

As of	12/31/89	1/1/89
Cash & cert. of deposit	$ 13,280	$ 23,403
Accts. receiv. , net	32,573	34,044
*Inventories	46,508	46,386
Other curr. assets	2,470	2,451
Current Assets	$ 94,831	$ 106,284
#Fixed assets	54,600	57,647
Goodwill	8,642	9,260
Prepaid pension exp.	13,706	9,349
Other assets	4,805	5,430
Total Assets	$ 176,584	$ 187,970

Liabilities
(000's)

Notes payable	$ 1,786	$ 3,272
Long-term debt, curr.	1,550	2,172
Accts. payable	11,218	13,561
Accrued payroll	5,372	5,822
Accrued discontinuance	5,172	7,007
Deferred income	2,371	2,835
Accrued taxes	2,036	2,119
Other accruals	8,409	10,605
Curr. Liabilities	$ 37,914	$ 47,393
Long-term debt	12,004	22,224
Deferred inc. taxes	1,788	2,416
+Common stock	34,279	34,771
Retained earnings	98,629	87,786
Cum. for. curr. trans.	221	1,086
Treasury stock	(8,251)	(7,706)
Total Liabilities & Shareholders' Equity	$ 176,584	$ 187,970

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. taxes to Sales	6.63	—
%Net Income to Sales	5.44	—
%Net Income to Equity	11.41	—
Sales to Inventories	5.63	5.94
Debt to Equity	0.12	0.24
Working Capital	$ 56,917,000	58,891,000
Current Ratio	2.50	2.24
Shareholders' Equity	$ 124,878,000	$ 115,937,000

Cubic Corporation

9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780
FAX: (619) 277-1878

P.O. Box 85587
San Diego, California 92138

Officers: Walter J. Zable, president, chairman of the board & chief exec. officer; Walter C. Zable, vice chairman & v.p.; George C. Tweed, sr. v.p. & chief operating officer; William C. Stewart, Jr., v.p.-secretary & general counsel; Louis G. Dameson, Jr., v.p.-corp. planning; Marlyn L. Hicks, v.p.-corporate; Raymond L. deKozan, v.p.-marketing & contracts; William J. Thompson, v.p.-development planning; Thomas A. Baz, v.p. & corp. controller; William Boyle, v.p.-finance & treasurer; Jerome M. Ringer, asst. to the president-investor relations.

Directors: Walter J. Zable, chairman; Thomas Moran, Jackson D. Arnold, Walter C. Zable, Malin Burnham, Robert T. Monagan, Raymond E. Peet.

Areas of Work: Designs, develops and manufactures simulation and training systems, navigational systems, surveying equipment, elevators, automated and manual fare collection systems, oil exploration equipment, welding supplies, gases, safety equipment, power-tools, radio communications equipment, and electronic medical equipment.

Divisions and Subsidiaries:

Cubic Defense Systems, Inc.
9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

Cubic Communications
305 Airport Road
Oceanside, California 92054
(619) 757-7525

Cubic Far East (Singapore) Pte Ltd.
4 Shenton Way
#17-00 Shing Kwan House
Singapore 0106
65-223-2023

Cubic Precision/K&E Electro-Optical Products
750 Huyler Street
Teterboro, New Jersey 07608
(201) 288-6000

Westinghouse Cubic Limited (50%-owned)
177 Nutfield Road, Merstham
Surrey RH1 3HH, England
44-73-744921

G.S. Parsons Companies
9010 Clairemont Mesa Boulevard
San Diego, California 92123
(619) 279-8200

U.S. Elevator Corp.
10728 U.S. Elevator Road
Spring Valley, California 92078
(619) 660-1000

Consolidated Converting Company
2601 Workman Mill Road
Whittier, California 90601
(213) 692-9421

Cubic Western Data
5650 Kearny Mesa Road
San Diego, California 92111
(619) 268-3100

Cubic Precision Survey Systems Division
1308 South Washington Street
Tullahoma, Tennessee 37388
(615) 455-8524

Automatic Toll Systems, Inc.
25 Central Avenue
Teterboro, New Jersey 07608
(201) 288-9595
Manufactures automatic and manual toll collection systems for use on highways, bridges, and tunnels.

Transfer Agent(s):

Union Bank
San Diego, California

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: CUB

Number of Employees:

1989	3,500	1987	4,500
1988	3,800	1986	4,512

Plant Footage:

1989 ...... 1,365,000 sq. ft. 1988 970,120

Sales & Earnings

	Net Sales +	Net Income	No. of Com. Shares #	Earn. per Share #
1989	$ 349,397,000	$ 21,076,000	7,216,000	$ 2.92
1988	342,424,000	12,836,000	7,552,000	1.70
1987	336,883,000	7,932,000	7,661,000	1.04
1986	318,656,000	1,125,000	7,783,000	0.14
1985	313,254,000	14,725,000	7,873,000	1.87

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electronic defense systems	$ 153,100,000	$ 157,700,000
Electronic elevator operations	109,700,000	111,900,000
Automatic revenue collection systems	58,500,000	45,200,000
Industrial operations	30,300,000	30,800,000
Corporate	4,500,000	4,900,000
Total	$ 356,100,000	$ 350,600,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.42	—	—
1988	0.42	—	
1987	0.39	—	—
1986	0.39	—	—
1985	0.39	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 129,099,000	$ 18.43
1988	117,887,000	15.88
1987	111,632,000	14.59
1986	108,654,000	13.97
1985	110,644,000	14.21

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 349,397,000	$ 364,895,000
Interest income	3,227,000	1,720,000
Other income	3,456,000	3,490,000
Gain on sale of subsid.	—	2,826,000
Total income	$ 356,080,000	$ 350,460,000
Cost of sales	260,966,000	270,200,000
Expenses	61,852,000	57,916,000
Interest expense	6,409,000	6,842,000
Income before taxes	$ 26,853,000	$ 15,502,000
Income taxes	9,251,000	3,999,000
Inc.-cont. oper.	$ 17,602,000	$ 11,503,000
Inc.-discont. oper.	3,474,000	725,000
Cum. effect of accntng. change	—	608,000
Net Income	$ 21,076,000	$ 12,836,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,939,000 in 1989 and $10,577,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 34,051,000	$ 8,693,000
Marketable securities	8,177,000	8,736,000
Accts. receiv., net	131,394,000	129,628,000
*Inventories & costs of contracts	26,162,000	26,625,000
Deferred inc. taxes	8,782,000	848,000
Prepaid expenses	5,011,000	7,525,000
Current Assets	$ 213,577,000	$ 182,055,000
#Fixed assets	25,948,000	29,180,000
Other assets	35,182,000	39,938,000
Total Assets	$ 274,707,000	$ 251,173,000

Liabilities

Long-term debt, curr.	$ 2,375,000	$ 12,378,000
Customer advances	35,400,000	17,144,000
Accts. payable	23,487,000	21,114,000
Accrued payroll	10,280,000	8,933,000
Income taxes	8,260,000	7,988,000
Curr. Liabilities	$ 79,802,000	$ 67,557,000
Long-term debt	62,093,000	61,936,000
Deferred inc. taxes	2,499,000	1,741,000
Deferred comp.	1,214,000	2,052,000
+Common stock	234,000	234,000
Add. paid-in capital	12,123,000	12,123,000
Retained earnings	131,894,000	113,808,000
Treasury stock	(15,152,000)	(8,278,000)
Total Liabilities & Shareholders' Equity	$ 274,707,000	$ 251,173,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	16.33	10.89
Debt to Equity	0.50	0.63
Working Capital	$ 133,775,000	$ 114,498,000
Current Ratio	2.68	2.69
Shareholders' Equity	$ 129,099,000	$ 117,887,000

Curtiss-Wright Corporation

(44%-owned by subsidiaries of Teledyne, Inc.)

1200 Wall Street West
Lyndhurst, New Jersey 07071
(201) 896-8400
FAX: (201) 438-5680

Officers: T. Roland Berner, chairman & president; Charles E. Ehinger, pres.; David Lasky, sr. v.p. & general counsel; Gerald Nachman, v.p. & pres.-Metal Improvement Company; John F. Staubach, v.p. & controller; Robert A. Bosi, treasurer.

Directors: T. Roland Berner, chairman; S. D. Brinsfield, John S. Bull, John B. Morris, Richard Dicker, J. Mclain Stewart.

Areas of Work: Produces and markets precision components and systems, and provides highly engineered services to three broad areas of business activity: Aerospace, Flow Control and Marine, and Industrial.

Subsidiaries:

Curtiss-Wright Flight Systems, Inc.,
501 Old Boiling Springs Road
Shelby, North Carolina 28150
Precision spring clutches, manual impact wrenches, and aircraft windshield wiper systems.

Curtiss Wright Flight Systems/Shelby, Inc.
501 Old Boiling Springs Road
Shelby, North Carolina 28150
Product support of gas turbine electrical generating equipment and jet engine and reciprocating engine

Metal Improvement Company, Inc.
10 Forest Avenue
Paramus, New Jersey 07652
Shot-peening, peen-forming, composite repair and heat treating services.

Target Rock Corporation
1966 East Broadhollow Road
East Farmingdale, New York 11735
Globe, gate, control, solenoid and safety relief valves.

Curtiss-Wright of Canada, Inc.
1815 Sismet Road
Mississauga, Ontario L4W 1P9, Canada
Air compressors and distribution of small reciprocating engines.

Buffalo Facility
60 Grider Street
Buffalo, New York 14215
Custom extruded shapes and seamless alloy pipe.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CW

Number of Employees:

1989	2,050	1986	1,993
1988	1,900	1985	2,026
1987	1,883		

Plant Footage:

1989	1,046,000 sq. ft.	1987	925,000
1988	1,046,000	1986	925,000

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 187,083,000	$ 30,413,000
1988	170,999,000	27,995,000
1987	165,064,000	31,612,000
1986	166,444,000	22,747,000
1985	159,942,000	(42,361,000)

	No. of Com. Shares †	Earn. per Share ‡ †
1989	4,993,000	$ 6.09
1988	4,979,000	5.62
1987	4,878,000	6.48
1986	4,867,000	4.67
1985	4,852,000	—

(Loss)
‡ Including extraordinary gains of $6,975,000 ($1.40 per share) in 1989, $2,023,000 ($0.41 per share) in 1988, $3,548,000 ($0.73 per share) in 1987 and $1,445,000 ($0.29 per share) in 1986.
† Based on the weighted average number of common shares outstanding during each year.

Revenues By Line of Business
(000's)

	1989	1988
Aerospace	$ 109,100	$ 98,100
Industrial prods.	43,200	43,800
Flow control & marine	34,900	29,100
Total	$ 187,200	$ 171,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.60	—	—
1988	1.60	—	
1987	1.60	—	—
1986	1.40	—	—
1985	1.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 269,422,000	$ 53.96
1988	244,359,000	49.08
1987	221,035,000	45.31
1986	196,348,000	40.34
1985	179,643,000	37.02

† Based on the weighted average number of common shares outstanding during each year.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 187,083	$ 170,999
Gain on sale of real est. & equip.	13,369	13,901
Interest & div. inc.	10,898	9,734
Other income	962	79
Total revenues	$ 212,312	$ 194,713
Cost of sales & expenses:		
Prod. & eng.	124,970	118,176
Sell. & serv.	8,187	8,125
Adm. & gen.	39,102	33,545
Interest	2,766	3,037
Inc. bef. taxes	$ 37,287	$ 31,830
Income taxes	15,086	5,858
Net Income	$ 22,201	$ 25,972
Extraord. gain	6,975	2,023
Cum. effect of acct. change	1,237	—
Net Income & extraord. gain	$ 30,413	$ 27,995

* Included in Costs and Expenses, Depreciation and Amortization: $11,293,000 in 1989 and $10,970,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 2,012	$ 2,670
Short-term invest.	149,867	133,692
Accts. receiv., net	29,915	25,945
Unbilled charges	16,519	17,803
*Inventories	36,060	31,072
Other curr. assets	3,429	5,754
Current Assets	$ 237,802	$ 216,936
#Fixed assets	94,688	93,435
Def. pension costs	6,057	—
Other assets	14,005	12,567
Total Assets	$ 352,552	$ 322,938

Liabilities
(000's)

Accts. & notes payable	$ 6,693	$ 8,302
Accruals	15,381	13,139
Income taxes	2,595	3,304
Def. inc. taxes	430	2,598
Other curr. liab.	10,903	10,487
Curr. Liabilities	$ 36,002	$ 37,830
Long-term debt	28,397	30,566
Minimum pension liab.	6,059	—
Deferred inc. taxes	12,672	10,183
+Common stock	10,000	10,000
Add. paid-in capital	57,777	57,534
Retained earnings	389,391	366,968
Unearned portion of restric. stock	(3,148)	(4,474)
For. curr. trans. adjust.	66	(169)
Treasury stock	(184,664)	(185,500)
Total Liabilities & Shareholders' Equity	$ 352,552	$ 322,938

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	17.56	16.35
%Net Income to Revenues	10.46	13.34
%Net Income to Equity	8.24	10.63
Debt to Equity	0.11	0.13
Working Capital	$ 201,800,000	$ 179,106,000
Current Ratio	6.61	5.73
Shareholders' Equity	$ 269,422,000	$ 244,359,000

Cushman Electronics, Inc.

3991 MacArthur Boulevard
Suite 225
Newport Beach, California 92660
(714) 724-1666
FAX: (714) 724-8985

Officers: John F. Bishop, chairman of the board, chief financial officer & treasurer; Mark K. Howlett, vice chairman of the board; Robert D. Johnson, president; Raymond V. White, v.p. & chief scientist; Gerald C. Tucker, v.p.-operations; John D. Brennan, v.p.-chief financial officer & secretary.

Directors: John F. Bishop, chairman of the board; J. Bradford Bishop, Mark K. Howlett, Robert D. Johnson.

Areas of Work: Designs, manufactures, markets and services advanced test instruments for the worldwide radio maintenance and telecommunications industries.

Transfer Agent(s):

First Interstate Bank of California
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CUSH

Number of Employees:

1989	35	1986	78
1988	33	1985	97
1987	72		

Plant Footage:

1989	10,700 sq. ft.	1986	43,300
1988	10,700	1985	43,300
1987	N.A.		

N.A.-Not Available.

Sales & Earnings

	Net Sales	Net Income #
1989	$ 3,289,000	$ (475,000)
1988	4,716,000	378,000
1987	6,870,000	(1,987,000)
1986	7,746,000	(642,000)
1985	8,063,000	(1,694,000)

	No. of Com. Shares	Earn. per Share #†
1989	1,051,000	$ —
1988	1,068,000	0.36
1987	1,018,000	—
1986	1,039,000	—
1985	1,043,000	—

(Loss)
# Including extraordinary gains of $202,000 ($0.19 per share) in 1988 and $142,000 in 1987.
† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (245,000)	$ —
1988	255,000	0.24
1987	(141,000)	—
1986	1,886,000	1.81
1985	2,538,000	2.43

(Deficiency)

Income Account *

Year ended Sept. 30	1989	1988
Sales:		
Product	$ 1,324,000	$ 2,332,000
Service	952,000	963,000
Customer funded contracts	1,013,000	1,421,000
Total income	$ 3,289,000	$ 4,716,000
Cost of sales	2,197,000	3,240,000
Expenses	1,325,000	1,385,000
Gain on discont. prod. line	(60,000)	(200,000)
Inc. (loss) bef. taxes	$ (475,000)	$ 291,000
Income taxes	—	115,000
Net Income (Loss)	$ (475,000)	$ 176,000
Extraord. gain	—	202,000
Net Income (Loss) & extraord. gain	$ (475,000)	$ 378,000

* Included in Costs and Expenses, Depreciation: $48,000 in 1989 and $72,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 9,000	$ 5,000
Accts. receiv., net	543,000	900,000
* Inventories	144,000	245,000
Prepaid expenses	58,000	34,000
Current Assets	$ 754,000	$ 1,184,000
# Fixed assets	243,000	89,000
Notes receivable	—	20,000
Investment in affil.	77,000	114,000
Other assets	—	19,000
Total Assets	$ 1,074,000	$ 1,426,000

Liabilities

Line of credit	$ 285,000	$ —
Accts. payable	102,000	277,000
Est. costs to compl. contracts in prog.	—	200,000
Costs of restructuring	96,000	96,000
Accruals	280,000	506,000
Income taxes pay.	56,000	92,000
Curr. Liabilities	$ 819,000	$ 1,171,000
Subord. debentures	500,000	—
+ Common stock	1,255,000	1,280,000
Retained earnings (deficit)	(1,500,000)	(1,025,000)
Total Liabilities & Shareholders' Equity	$ 1,074,000	$ 1,426,000

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.17
%Net Income to Sales	—	3.73
Sales to Inventories	22.84	19.25
Working Capital	—	$ 13,000
Current Ratio	—	1.01
Shareholders' Equity (Deficiency)	$ (245,000)	$ 255,000

Daedalus Enterprises, Inc.

300 Parkland Plaza
P.O. Box 1869
Ann Arbor, Michigan 48106
(313) 769-5649
FAX: (313) 769-0429

Officers: Thomas R. Ory, president & chief exec. officer; Vincent J. Killewald, treasurer; Charles G. Stanich, v.p.-research & development & chief operating officer; Lloyd A. Semple, secretary.

Directors: Philip H. Power, John D. Sanders, Thomas R. Ory, Marvin R. Holter, William S. Panschar, Charles G. Stanich.

Areas of Work: Manufactures remote sensing devices. The principal products are scanner systems which are installed in aircraft for acquisition of remote sensing data. These data are subsequently processed on the ground by the company's data handling equipment. The information derived from the airborne sensor and processed by the ground stations is used for monitoring and measuring water pollution; for oil, mineral and goethermal exploration; for heat budget and energy loss studies; and for the evaluation of other environmental quality related problems.

Transfer Agent(s):

Michigan National Bank
P.O. Box 1707
Grand Rapids, Michigan 49501

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	32	1987	16
1988	20	1986	29

Plant Footage:

1989	20,000 sq. ft.	1987	20,000
1988	20,000	1986	18,500

Sales & Earnings

	Net Sales	Net Income †
1989	$ 4,802,073	$ 995,477
1988	3,397,164	424,739
1987	1,779,586	(543,912)
1986	3,832,869	427,637
1985	2,045,834	(521,555)

	No. of Com. Shares	Earn. per Share † ‡
1989	552,567	$ 1.73
1988	547,835	0.78
1987	547,535	—
1986	544,424	0.73
1985	540,783	—

(Loss)
† Including extraordinary gain $177,000 ($0.30 per share) in 1986.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 2,523,681	$ 4.57
1988	1,542,490	2.82
1987	1,127,897	2.06
1986	1,662,688	3.05
1985	1,225,220	2.27

Income Account *

Year ended July 31	1989	1988
Net sales	$ 4,802,073	$ 3,397,164
Other income	113,100	56,476
Total income	$ 4,915,173	$ 3,453,640
Cost of sales	2,776,781	2,102,087
Expenses	895,177	804,181
Interest expense	97,738	122,633
Income bef. taxes	$ 1,145,477	$ 424,739
Income taxes	150,000	—
Net Income	$ 995,477	$ 424,739

* Included in Costs and Expenses, Depreciation: $162,372 in 1989 and $100,482 in 1988.

Assets

As of July 31	1989	1988
Cash	$ 132,322	$ 200,798
Invest. in securities	850,000	—
Accts. receiv., net	524,879	382,628
Unbilled accts. receiv.	320,965	658,361
•Inventories	706,096	663,310
Other current assets	20,886	14,437
Current Assets	$ 2,555,148	$ 1,919,534
#Fixed assets	1,361,599	1,425,441
Other assets	153,431	135,786
Total Assets	$ 4,070,178	$ 3,480,761

Liabilities

	1989	1988
Long-term debt, curr.	$ 60,000	$ 60,000
Accts. payable	522,476	477,469
Accrued payroll	290,743	244,173
Other accruals	51,045	31,525
Income taxes	134,233	77,104
Curr. Liabilities	$ 1,058,497	$ 890,271
Long-term debt	455,000	1,015,000
Deferred income taxes	33,000	33,000
+ Common stock	5,526	5,478
Add. paid-in capital	993,654	980,458
Retained earnings	1,524,501	556,554
Total Liabilities & Shareholders' Equity	$ 4,070,178	$ 3,480,761

• At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	23.85	12.50
%Net Income to Sales	20.73	12.50
%Net Income to Equity	39.45	27.54
Sales to Inventories	6.80	5.12
Debt to Equity	0.20	0.70
Working Capital	$ 1,496,651	$ 1,029,263
Current Ratio	2.41	2.16
Shareholders' Equity	$ 2,523,681	$ 1,542,490

Daisy Systems Corporation

700 East Middlefield Road
Mountain View, California 94043
(408) 747-7800

Officers: Max Palevsky, chairman of the board; Norman E. Friedmann, president & chief executive officer; David A. Stamm, executive v.p.; Paul M. Hachigian, sr. v.p.; James Macauley, vice president; Robert Coon, vice president; John DeSantis, vice president; Michael Pope, vice president; James Paul Romanos, vice president; F. Taylor Scanlon, vice president; Dennis Sabo, vice president; Rodney F. Sloss, vice president; David Stevens, vice president; James Ulatowski, vice president; E. Arlin Torbett, vice president; Lyle York, vice president; Kenneth J. Nussbacher, general counsel & secretary; Denis Cohen, president-Daisy Systems International; Moti Carmel, president-Daisy Systems (Israel) Ltd..

Directors: Max Palevsky, chairman; Sanford Kaplan, Richard D. DeLauer, Norman E. Friedmann, Edmund M. Kaufman, Robert G. Sims, David A. Stamm.

Areas of Work: Designs, manufactures, markets and services electronic design automation (EDA) systems for use in all segments of the electronics industry.

Subsidiaries:

Daisy Systems International

Daisy Systems (Israel) Ltd.

Acquisition:

Cadnetix Corporation
5757 Central Avenue
Boulder, Colorado 80301
Manufactures computer-aided engineering (CAE) and computer-aided design (CAD) workstations.

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DAZY (NASDAQ)

Number of Employees:

1988	860	1985	923
1987	801	1984	565
1986	883		

Plant Footage:

1988	N.A.	1987	208,000 sq. ft.

N.A. - Not Available.

Sales & Earnings

	Revenues	Net Income #
1988	$ 117,400,000	$ 6,924,000
1987	100,860,000	(16,276,000)
1986	107,149,000	(1,081,000)
1985	122,548,000	21,158,000
1984	69,148,000	11,030,000

	No. of Com. Shares ‡	Earn. per Share #‡
1988	17,981,000	$ 0.39
1987	17,773,000	—
1986	17,520,000	—
1985	17,351,000	1.22
1984	15,095,000	0.73

(Loss)
Including extraordinary gain of $1,585,000 ($0.09 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 139,851,000	$ 8.05
1987	136,602,000	7.63
1986	151,365,000	8.56
1985	149,968,000	8.66
1984	50,995,000	3.54

Income Account *
(000's)

Year ended Sept. 30	1988	1987
Net revenues	$ 117,400	$ 100,860
Cost of revenues	40,039	38,433
Research & develop. exp.	20,801	24,032
Mktng., gen. & adm. exp.	56,226	57,557
Special items	—	8,300
Interest income	(4,142)	(3,990)
Other expense (income)	(1,774)	204
Inc. (loss) bef. taxes	$ 6,250	$ (23,676)
Income taxes (credit)	911	(7,400)
Net Income (Loss)	$ 5,339	$ (16,276)
Extrord. gain	1,585	—
Net Income (Loss) & extraord. gain	$ 6,924	$ (16,276)

* Included in Costs and Expenses, Depreciation and Amortization: $13,948,000 in 1988 and $12,399,000 in 1987.

Assets
(000's)

As of Sept. 30	1988	1987
Cash & cash equiv.	$ 29,139	$ 11,733
Short-term invest.	47,668	64,918
Accts. receiv., net	30,389	29,448
•Inventories	17,139	11,753
Prepaid inc. taxes	1,821	11,248
Prepaid expenses	3,244	1,022
Current Assets	$ 129,400	$ 130,122
#Fixed assets	20,491	24,550
Other assets	18,022	9,130
Total Assets	$ 167,913	$ 163,802

Liabilities
(000's)

	1988	1987
Accts. payable	$ 4,940	$ 4,924
Accruals	15,829	12,450
Deferred revenue	3,796	3,200
Income taxes	828	689
Curr. Liabilities	$ 25,393	$ 21,263
Deferred inc. taxes	—	2,119
Other liabilities	2,669	3,818
+Common stock	18	18
Add. paid-in capital	119,830	119,731
Treasury stock	(3,774)	—
Retained earnings	23,777	16,853
Total Liabilities & Shareholders' Equity	$ 167,913	$ 163,802

• At lower of cost (currently adjusted standards) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Sales	5.32	—
%Net Income to Sales	4.55	—
%Net Income to Equity	3.82	—
Working Capital	$ 104,007,000	$ 108,859,000
Current Ratio	5.10	6.12
Shareholders' Equity	$ 139,851,000	$ 136,602,000

Damon Corporation

(The Company went private May, 1989.)

115 Fourth Avenue
Needham Heights, Massachusetts 02194
(617) 449-0800

Officers: David I. Kosowsky, chairman and chief executive officer; Robert P. Schneider, president and chief operating officer; Allan B. Beitchman, exec. v.p.-finance & chief financial officer; Joseph C. Isola, sr. v.p. & gen. mgr.-Damon Clinical Laboratories; D. Joseph Powell, sr. v.p.-administration; Vernon F. Sherman, Jr., sr. v.p.-finance & treasurer; Marcia Amsterdam Kean, v.p.-corporate communications; Daniel R. Cotte, v.p.-management information systems; Norman R. Curtis, v.p. & gen. mgr.-International Equipment Company; William T. Thurston, v.p.-operations, Damon Clinical Laboratories; Raymond E. Vermette, v.p.-operations, Damon Clinical Laboratories; Beno R. Kon, v.p.-controller, Damon Clinical Laboratories, Allen D. McGee, v.p.-business development, Damon Clinical Laboratories; Richard T. Theken, v.p.-human resources; Shamai Winitzer, v.p. & gen. mgr.-diagnostic instruments; David L. Steele, v.p. & controller; Bruce G. Goodman, v.p.-legal affairs; Constantine Alexander, secretary.

Directors: David I. Kosowsky, chairman; W. Gerald Austen, Allan B. Beitchman, Peter A. Brooke, Charles C. Cunningham, Jr., Charles L. Lea, Jr., Robert P. Schneider.

Areas of Work: Through Damon Clinical Laboratories, Damon owns and operates a network of regional laboratories throughout the U.S. that perform clinical testing of blood and tissue samples. Through its International Equipment Company subsidiary, the company is engaged in the production of microprocessor-controlled laboratory centrifuges, microtome cyrostats and centrifuge accessories. These products are primarily used in the fields of biomedical research and clinical testing. The Electronics Products Division manufactures crystal filters, high-quality crystal oscillators and surface acoustic wave devices for radar missile systems, radar fire control systems and navigation and communications equipment.

Divisions:

Damon Clinical Laboratories
115 Fourth Ave.
Needham Heights, Massachusetts 02194

Electronics Products Division
80 Wilson Way
Westwood, Massachusetts 02090

Diagnostic Instruments Division
Manufactures a portable ultra sound scanner.

Subsidiary:

International Equipment Company
300 Second Avenue
Needham Heights, Massachusetts 02194

Number of Employees:

1988	3,500
1987	3,300
1986	2,500
1985	2,500
1984	2,700

Plant Footage:

1988	N.A.
1987	153,000 sq. ft.
1986	153,000
1985	153,000
1984	174,600

N.A. - Not Available.

Sales & Earnings

	Net Sales ‡ +	Net Income †	No. of Com. Shares #	Earn. Per Share † #
1988	$ 208,148,000	$ 2,175,000	10,075,000	$ 0.22
1987	170,185,000	1,992,000	9,339,000	0.21
1986	145,695,000	(2,619,000)	9,577,000	—
1985	127,004,000	(3,227,000)	9,878,000	—
1984	125,008,000	2,762,000	10,040,000	0.27

(Loss)
‡ Includes sales of services and products.
+ Of continuing operations only.
† Including extraordinary gains of $135,000 ($0.01 per share) in 1987, $147,000 in 1985, $550,000 ($0.05 per share) in 1984, and extraordinary loss of $111,000 in 1986.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1988	1987
Medical services	$ 152,222	$ 116,906
Medical & elec. prods.	36,057	32,645
Hobby & educational products	19,869	20,634
Total	$ 208,148	$ 170,185

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.20	—	—
1987	0.13	—	
1986	0.13	—	—
1985	0.13	—	—
1984	0.13	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 67,172,000	$ 7.02
1987	59,732,000	6.35
1986	57,079,000	6.12
1985	56,385,000	5.75
1984	62,697,000	6.27

‡ Adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1988	1987
Net sales of serv. & prods.	$ 208,147,734	$ 170,185,146
Cost of sales	130,100,348	102,648,969
Expenses	55,415,269	45,127,325
Prov. for doubtful accts.	4,384,378	3,558,007
Res. & develop. exp.	2,104,390	2,162,944
Interest expense	1,514,946	1,250,336
Inc. bef. taxes	$ 14,628,403	$ 15,437,565
Income taxes	5,298,000	7,013,000
Minority interest	1,180,696	965,585
Inc.-cont. oper.	$ 8,149,707	$ 7,458,980
Loss-discont. oper.	(5,975,176)	(5,602,104)
Net Income	$ 2,174,531	$ 1,856,876
Extraordinary gain	—	135,000
Net Income & extraord. gain	$ 2,174,531	$ 1,991,876

* Included in Costs and Expenses, Depreciation and Amortization: $6,426,955 in 1988 and $6,038,310 in 1987.

Assets

As of Aug. 31	1988	1987
Cash & market. secur.	$ 20,786,643	$ 31,755,941
Accts. receiv., net	35,998,722	27,408,634
*Inventories	19,546,475	19,397,207
Prepaid expenses	1,544,229	1,990,935
Net assets-discont. oper.	6,997,389	—
Current Assets	$ 84,873,458	$ 80,552,717
#Fixed assets	31,300,991	34,091,120
Investments	400,000	1,887,967
Other assets	2,497,645	2,463,402
Intangibles	7,470,842	10,058,748
Prepaid pension cost	8,841,656	774,719
Total Assets	$ 135,384,592	$ 129,828,673

Liabilities

	1988	1987
Notes payable & long-term debt., curr.	$ 5,050,049	$ 4,838,313
Accts. payable	8,809,442	8,024,571
Accrued payroll	10,162,744	9,082,970
Other accruals	2,703,423	3,915,533
Income taxes	1,907,435	4,721,650
Curr. Liabilities	$ 28,633,093	$ 30,583,037
Mortg. & notes payable	25,594,460	9,726,406
Conv. subord. 5.25% deben.	—	9,904,000
Other obligations	4,626,990	4,783,761
Deferred inc. taxes	7,108,465	8,142,482
Minority interest	2,249,996	6,957,236
+Common stock	2,391,550	2,352,541
+Junior common stock	43,096	43,096
Add. paid-in capital	44,242,338	37,222,141
Retained earnings	21,770,134	21,492,934
Note receiv. from sale of stock	(64,645)	(168,076)
For. curr. trans. adj.	(1,210,885)	(1,210,885)
Total Liabilities & Shareholders' Equity	$ 135,384,592	$ 129,828,673

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	3.24	3.11
Debt to Equity	0.46	0.24
Working Capital	$ 56,240,365	$ 49,969,680
Current Ratio	2.96	2.63
Shareholders' Equity	$ 67,171,588	$ 59,731,751

Danaher Corporation

1250 24th Street N.W.
Washington, Washington D.C. 20037
(202) 828-0850
FAX: (202) 828-0860

Officers: Steven M. Rales, chairman & chief exec. officer; George M. Sherman, president & chief executive officer; Mitchell P. Rales, president; Patrick W. Allender, chief financial officer; M. Teri Lynch, treasurer; Arthur P. Byrne, group executive; John A. Cosentino, Jr., group executive; James H. Ditkoff, group exec.; C. Scott Brannan, controller.

Directors: Steven M. Rales, chairman; Walter G. Lohr, Jr., Mitchell P. Rales, Donald J. Ehrlich, A. Emmet Stephenson, Jr., George A. Kellner, George M. Sherman.

Areas of Work: Manufactures automotive and transportation products, instrumentation, precision components and extruded products.

Divisions and Subsidiaries:

Automotive and Transportation:

Danaher Corporation

Fayette Tubular Products
Products of the Automotive and Transportation segment include automobile air conditioning components, wheel service equipment, diesel engine retarders and professional mechanics tools and equipment.

Hennessy Industries, Inc.
Matco Tools Corporation
Jacobs Manufacturing Company

Instrumentation:

Veeder-Root Company
The Instrumentation segment produces and sells temperature, level and position sensing devices; liquid flow measuring devices; and mechanical, electronic and magnetic counting and controlling devices.

Dynapar Corporation
Partlow Corporation
Qualitrol Corporation

Precision Components:

Holo-Krome/Allen Manufacturing
Products of the Precision Components segment include a wide range of precision screw socket screws, special fasteners, shaft collars and couplings drill chucks, connectors and other high quality miniature precision parts made primarily on Swiss screw machines. The segment also assembles and distributes construction equipment.

Iseli Company

Plastic Products:

A.L. Hyde Company

Ammco Tools, Inc.
Manufactures lathes used to repair brake drums.

Acquisition:

Easco Hand Tools, Inc.
Manufacturer & marketer of mechanic's hand tools.

Transfer Agent(s):

Mellon Securities Trust Company
1110 Brickell Avenue, Suite 208
Miami, Florida 33131

Stock Exchange(s): New York, Pacific

Ticker Symbol: DHR

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 749,052,000	$ 61,117,000
1988	714,595,000	43,989,000
1987	577,995,000	18,969,000
1986	225,814,000	15,401,000
1985	77,230,000	13,525,000

	No. of Com. Shares #	Earn. per Share † ‡
1989	24,642,867	$ 2.57
1988	24,617,803	1.85
1987	22,808,005	0.85
1986	20,391,658	0.75
1985	20,391,658	0.66

+ Of continuing operations only.
† Including extraordinary gains of $4,991,000 ($0.21 per share) in 1988, $6,737,000 ($0.33 share) in 1986, $7,964,000 ($0.39 per share) in 1985 and extraordinary loss of $1,072,000 ($0.05 per share) in 1987.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Automotive & transportation	$ 407,740	$ 382,578
Instrumentation	173,012	160,733
Precision components	168,300	171,284
Other	7,318	1,094
Total	$ 756,370	$ 715,689

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 191,721,000	$ 7.78
1988	155,746,000	6.33
1987	103,295,000	4.53
1986	65,244,000	3.20
1985	49,888,000	2.45

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 749,052	$ 714,595
Other income	7,318	1,094
Total income	$ 756,370	$ 715,689
Cost of sales	518,249	479,548
Expenses	136,883	130,448
Interest expense	22,171	32,669
Income before taxes	$ 79,067	$ 73,024
Income taxes	31,950	32,996
Inc.-cont. oper.	$ 47,117	$ 40,028
Inc. (loss)-discont. oper.	14,000	(1,030)
Net Income	$ 61,117	$ 38,998
Extraord. gain	—	4,991
Net Income & extraord. gain	$ 61,117	$ 43,989

* Included in Costs and Expenses, Depreciation and Amortization: $19,145,000 in 1989 and $17,594,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 4,751	$ 24,148
Accts. receiv., net	81,010	84,618
* Inventories	74,289	96,306
Prepaid expenses	8,752	8,189
Current Assets	$ 168,802	$ 213,261
# Fixed assets	125,195	118,476
Other assets	9,234	36,609
Exc. of cost over assets acq.	203,919	207,487
Total Assets	$ 507,150	$ 575,833

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 688	$ 2,151
Accts. payable	52,443	58,414
Accruals	90,817	84,221
Curr. Liabilities	$ 143,948	$ 145,786
Other liab.	28,453	29,055
Long-term debt	143,028	246,246
+ Common stock	246	246
Add. paid-in capital	184,418	184,051
Retained earnings (deficit)	28,127	(32,990)
For. curr. trans. adjust.	1,177	4,439
Treasury stock	(22,247)	—
Total Liabilities & Shareholders' Equity	$ 507,150	$ 575,833

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Net Income to Equity	31.88	25.04
Sales to Inventories	10.08	7.42
Debt to Equity	0.75	1.59
Working Capital	$ 24,854,000	$ 68,475,000
Current Ratio	1.17	2.03
Shareholders' Equity	$ 191,721,000	$ 155,746,000

Daniel Industries, Inc.

9753 Pine Lake Drive
Houston, Texas 77055
(713) 467-6000

Officers: W. A. Griffin, chairman of the board & chief exec. officer; Ralph H. Clemons, president & chief oper. officer; W. A. Griffin, III, v.p. & chief financial officer; W. C. Clingman, v.p.-information services; H. D. Morrison, Jr., v.p., secretary & treasurer; Michael R. Yellin, asst. secretary & asst. treasurer; Thomas L. Sivak, general counsel; Henry G. Schopfer, III, corporate controller.

Directors: W. A. Griffin, chairman of the board; Ralph H. Clemons, Joseph L. Parrish, William C. Morris, James R. Whatley, Gibson Gayle, Jr., Ronald C. Lassiter, Richard L. O'Shields, Leo E. Linbeck, Jr..

Areas of Work: The Company is engaged in providing products and systems used to measure rates of flow and accumulated volumes of fluids, primarily oil and natural gas. The Company manufactures a variety of measurement devices including orifice, turbine, positive displacement and ultrasonic meters. The Company also designs, fabricates and assembles large, automated flow measurement systems to meet specific needs and applications, as well as other systems utilized for enhanced oil recovery. The Company's flow measurement products and systems are used mainly by producers, refiners and transporters of oil and natural gas. The Company is also engaged in the manufacture and sale of alloy stud bolts and ring joint gaskets, pipeline valves, flanges and gas lift equipment.

Subsidiaries:

Daniel Automation Company

Daniel de Mexico, S.A.

Daniel Industries Foreign Sales Corporation

Daniel Industries Limited

Daniel Oil Tools Company

Daniel Valve Company

Daniel Bolt and Gasket, Inc.

Daniel EN-FAB Systems, Inc.

Daniel Flow Products, Inc.

Daniel Flange Company, Inc.

Danmasa, S.A. de C.V.

RBC Realty, Inc.

Bell Microsensors, Inc.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
MTrust Corp, N.A.

Stock Exchange(s): New York

Ticker Symbol: DAN

Number of Employees

1989 1,650

Plant Footage

1989 .... 1,114,250 sq. ft.

Sales & Earnings

	Revenues	Net Income
1989	$ 170,154,000	$ 6,164,000
1988	146,949,000	(3,352,000)
1987	132,860,000	(3,285,000)
1986	122,726,000	(3,869,000)
1985	138,475,000	210,000

	No. of Com. Shares +	Earn. per Share +
1989	10,287,000	$ 0.60
1988	10,201,000	—
1987	10,171,000	—
1986	10,160,000	—
1985	10,153,000	0.02

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business

	1989	1988
Flow measurement	$ 106,089,000	$ 100,806,000
Energy products	63,630,000	46,033,000
Corporate	435,000	110,000
Total	$ 170,154,000	$ 146,949,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.18	—	—
1988	0.18	—	
1987	0.18	—	—
1986	0.18	—	—
1985	0.17	5%	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 84,692,000	$ 8.23
1988	79,446,000	7.79
1987	84,201,000	8.28
1986	87,849,000	8.65

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sep. 30	1989	1988
Revenues	$ 170,154,000	$ 146,949,000
Cost of revenues	109,388,000	96,437,000
Expenses	48,050,000	48,170,000
Interest expense	3,151,000	2,363,000
Prov. for discont.	—	5,375,000
Inc. (loss) bef. taxes	$ 9,565,000	$ (5,396,000)
Income taxes (credit)	3,401,000	(2,044,000)
Net Income (Loss)	$ 6,164,000	$ (3,352,000)

* Included in Costs and Expenses, Depreciation and Amortization: $6,603,000 in 1989 and $6,975,000 in 1988.

Assets

As of Sep. 30	1989	1988
Cash & cash equiv.	$ 10,827,000	$ 1,978,000
Accts. receiv., net	35,976,000	32,256,000
Costs in excess	558,000	5,389,000
*Inventories	39,664,000	39,471,000
Other curr. assets	1,681,000	1,603,000
Current Assets	$ 88,706,000	$ 80,697,000
# Fixed assets	48,892,000	53,031,000
Intangibles	3,784,000	4,036,000
Invest. & other assets	2,248,000	852,000
Total Assets	$ 143,630	$ 138,616

Liabilities

Long-term debt, curr.	$ 2,800,000	$ 7,050,000
Accts. payable	12,202,000	14,115,000
Accruals	13,334,000	16,162,000
Current Liabilities	$ 28,336,000	$ 37,327,000
Long-term debt	26,400,000	19,700,000
Deferred inc. taxes	4,202,000	2,143,000
+Common stock	12,942,000	12,755,000
Add. paid-in capital	64,721,000	63,596,000
Retained earnings	8,713,000	4,401,000
Cum. trans. adjust.	(1,684,000)	(1,306,000)
Total Liabilities & Shareholders' Equity	$ 143,630,000	$ 138,616,000

* At lower of cost or market. Domestic inventories at LIFO; foreign by the average method.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.62	—
% Net Income to Sales	3.62	—
% Net Income to Equity	7.28	—
Debt to Equity	0.34	0.34
Working Capital	$ 60,370,000	$ 43,370,000
Current Ratio	3.13	2.16
Shareholders Equity	$ 84,692,000	$ 79,446,000

Data-Design Laboratories

7925 Center Avenue
P.O. Box 711
Rancho Cucamonga, California 91730
(714) 987-2511
FAX: (714) 989-7055

Officers: Thomas C. Beiseker, president & chief executive officer; Alan R. Steel, v.p.-finance, chief financial officer & treasurer; Stephen M. Andres, v.p.-administration; Richard K. Vitelle, corporate controller; Richard G. Littman, secretary.

Directors: Thomas C. Beiseker, chairman; John C. Hall, John P. Del Favero, Rockell N. Hankin, Philip H. Alspach, Arthur W. Schmutz.

Areas of Work: The company is a diversified, high-technology corporation which is primarily engaged in the manufacture and assembly of advanced, multilayer printed circuit boards ("PCBs") for use in the computer, communications and instrumentation industries. A second major segment of the Company's business involves the manufacture of signal transmission equipment for cable television and other communications applications. The company also provides engineering services to the Department of Defense, and manufactures pressure gauges and related devices for use in SCUBA and life support equipment.

Divisions and Subsidiaries:

Aeroscientific Corporation
1244 S. Claudina
Anaheim, California 92805
(714) 991-9000
Manufactures printed circuit boards.

Aeroscientific Corporation
1270 N.W. 167th Avenue
Beaverton, Oregon 97006
Manufactures printed circuit boards.

Catel Telecommunications, Inc.
4050 Technology Place
Fremont, California 94537
Manufactures and markets communications equipment and analytical instruments. The signal processing equipment is used in CATV and other cable communications systems and is compatible with coaxial cable, microwave, satellite and fiber optics means of transmission.

Sierra Precision
7945 Center Avenue
Rancho Cucamonga, California 91730
Produces high pressure gauges and hoses, depth gauges and related products.

Irlandus Circuits Limited
Craigavon, Northern Ireland
Produces printed wiring boards.

A.J. Electronics, Inc.
20945 Plummer Street
Chatsworth, California 91311
Inserts electrical components into printed wiring boards.

DDL Omni Engineering Corp.
Chantilly, Virginia
Defense contracting.

Transfer Agent(s):

Bank of America, N.T. & S.A.
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): New York, Pacific

Ticker Symbol: DDL

Number of Employees:

1989	1350	1986	1,000
1988	1,300	1985	1,300
1987	N.A.		

Plant Footage:

1989	359,000 sq. ft.	1986	409,000
1988	367,000	1985	409,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 108,323,000	$ (2,173,000)
1988	107,955,000	7,302,000
1987	74,707,000	7,165,000
1986	67,393,000	(372,000)
1985	99,836,000	5,712,000

	No. of Com. Shares	Earn. per Share ‡ #
1989	6,632,131	$ —
1988	6,627,628	1.10
1987	6,546,804	1.09
1986	6,563,754	—
1985	6,388,469	0.89

(Loss)
‡ Including extraordinary gain of $940,000 ($0.14 per share) in 1988 and extraordinary loss of $1,126,000 in 1989.
# Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Interconnect technologies	$ 77,814,000	$ 71,257,000
Communications	11,902,000	13,922,000
Engineering services	8,360,000	12,122,000
Engineered products	10,144,000	10,539,000
General corporate	103,000	115,000
Total	$ 108,323,000	$ 107,955,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.18	—	—
1988	0.24	—	
1987	0.24	—	--
1986	0.24	—	—
1985	0.21	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 32,174,000	$ 4.85
1988	39,222,000	5.92
1987	36,302,000	5.55
1986	33,375,000	5.08
1985	34,932,000	5.47

Income Account *

Year ended June 30	1989	1988
Net sales	$ 108,323,000	$ 107,955,000
Cost of sales & services	92,715,000	79,523,000
Expenses	21,364,000	18,692,000
Dividend income	(3,599,000)	(2,969,000)
Interest expense	5,398,000	4,247,000
Loss on sale of market. secur.	5,877,000	—
Prov. for loss on sale of assets	1,148,000	—
Inc. (loss) bef. taxes	$ (14,580,000)	$ 8,462,000
Income taxes (credit)	(3,275,000)	2,100,000
Net Income (Loss)	$ (11,305,000)	$ 6,362,000
Extraord. items	(1,126,000)	940,000
Cum. effect of acct. change	258,000	—
Net Income (Loss) & extraord. items	$ (12,173,000)	$ 7,302,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,584,000 in 1989 and $4,226,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 3,180,000	$ 1,396,000
Marketable securities	29,111,000	—
Accts. receiv., net	21,964,000	19,897,000
Inc. taxes refund.	2,936,000	—
*Inventories	12,651,000	16,179,000
Prepaid expenses	430,000	633,000
Current Assets	$ 70,272,000	$ 38,105,000
#Fixed assets	30,618,000	28,319,000
Other assets	5,710,000	32,799,000
Total Assets	$ 106,600,000	$ 99,223,000

Liabilities

	1989	1988
Notes payable	$ —	$ 7,950,000
Long-term debt. curr.	695,000	708,000
Accts. payable	10,133,000	9,219,000
Accruals	7,092,000	5,988,000
Reserve for est. losses on contracts	1,597,000	—
Income taxes	—	638,000
Curr. Liabilities	$ 19,517,000	$ 24,503,000
Long-term debt	54,459,000	34,611,000
Deferred income taxes	395,000	579,000
Minority interest	55,000	308,000
+Common stock	2,211,000	2,209,000
Add. paid-in capital	6,440,000	5,868,000
Retained earnings	24,166,000	37,543,000
Unreal. loss on market. secur.	—	(6,171,000)
For. curr. trans. adj.	(643,000)	(227,000)
Total Liabilities & Shareholders' Equity	$ 106,600,000	$ 99,223,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.33 1/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.84
%Net Income to Sales	—	5.89
%Net Income to Equity	—	16.22
Debt to Equity	1.71	1.10
Working Capital	$ 50,755,000	$ 13,602,000
Current Ratio	3.60	1.56
Shareholders' Equity	$ 32,174,000	$ 39,222,000

Data General Corporation

4400 Computer Drive
Westboro, Massachusetts 01580
(508) 366-8911
FAX: (508) 366-1319

Officers: Edson de Castro, chairman of the board; Herbert J. Richman, exec. v.p.; Ronald L. Skates, exec. v.p. & chief operating officer; Michael B. Evans, v.p. & chief financial officer; Donald V. Bateman, v.p.-human resources; Stephen P. Baxter, v.p.- marketing; Primus Berger, v.p.-European operations; James P. Campbell, v.p.-administration; William Cunningham, v.p.-manufacturing; Frederick P. Cochrane, v.p.-central technical services; Angelo Guadagno, v.p.-North American sales; Michael Schneider, v.p.-customer service; Anthony C. Nicoletti, v.p.-sales support & planning; J. David Lyons, v.p.-international sales & service; Wayne Fitzsimmons, v.p.-Americas/Far East; Lee Henning, v.p.-manufacturing support; J. Thomas West, v.p.-Systems Development Division; James J. Ryan, v.p.-information management group; Colin Crook, sr. v.p.-communications systems group; Hisashi Tomino, v.p. & president-Nippon-Data General; Joel Schwartz, v.p.-software business unit; Carl E. Kaplan, secretary; Jacob Frank, v.p.-legal; John D. Kavazanjian, v.p.-international manufacturing operations; Robert C. McBride, controller; Ellen Richstone, treasurer.

Directors: Edson D. de Castro, Herbert J. Richman, Ronald L. Skates, Frederick R. Adler, Ferdinand Colloredo-Mansfield, John H. McArthur, Donald H. Trautlein.

Areas of Work: Designs, manufactures and markets a variety of large-scale general purpose computer systems, software packages, electro-mechanical peripheral equipment, electronic controllers and interfaces and related products.

Divisions:

Information Systems Division
Markets computer systems used by large organizations in commercial applications.

Industry Marketing Division
Markets products for end-users, original equipment manufacturers, and systems integrators in the industrial, scientific and technical markets.

Volume Products Division
Manufactures, develops and markets laptop and desktop computers, terminals, printers, and other high-volume computer products.

Distribution Division
Markets company's products to small and medium-sized businesses through third-party channels of distribution.

Systems Development Division
Designs and develops computer systems and sofware.

Product Marketing Division
Product management, planning and marketing.

Customer Service Division
Provides hardware, software and communication systems made to customers' specifications.

Field Engineering Division
Maintenance, repair, and parts exchange of company's products.

Federal Systems Division
Markets products, and provides a full range of systems-related services, to the U.S. Government.

Telecommunications Divison
Networking development and services.

Subsidiaries:

Data General Europe, Inc.
Tour Manhattan
5/6 Place de L'Iris
Paris-La Defense II 92095 France

Asia Data General Corporation
China Data General Corporation
DG Foreign Sales Corp., Inc.
Datagen, Inc.
Data General ApS
Data General Costa Rica, S.A.
Data General Latin America, Inc.
Data General New Zealand Limited
Data General OY
Data General Philippines, Inc.
Data General (Canada) Inc.
Data General Commercial Systems, Inc.
Data General International Sales Corporation
Data General Investment Corporation
Data General Limited (United Kingdom)
Data General GmbH (Germany)
Data General Gesellschaft mbH (Austria)
Data General France SARL
Data General Holland BV
Data General Australia Pty., Ltd.
Data General AB (Sweden)
Data General Israel, Ltd.
Data General Hong Kong, Ltd.
Data General A.G. (Switzerland)
Data General Ltda. (Brazil)
Data General S.A. (Belgium)
Data General C.A. (Venezuela)
Data General A/S (Norway)
Data General Thailand
Data General S.p.A. (Italy)
Data General Importing, Ltd. (New Zealand)
WSA Systems and Services, Inc.
Design Data, Inc.
Digicom, Inc.
Digital Computer Controls, Inc.
Nippon-Data General Corp. (85% owned)
Data General Singapore Pte., Ltd.
Data General Chile S.A.
Data General del Peru, S.A.
Data General Development Corp.
Data General Hong Kong Sales and Service, Ltd.
Data General de Mexico, S.A. de C.V.
Data General Ireland, Ltd.
Data General Puerto Rico, Inc.
Data General S.A. (Spain)
Data General International Manufacturing Pte., Ltd.
Singapore
Data General Sociedade de Computadores Lda.
(Portugal)
Genioss, Inc.
Long Island Communications Corp.
Dama Technologies Corp.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
9th Floor
New York, New York 10015

Stock Exchange(s): New York, London, Boston*, Midwest*, Philadelphia*, Pacific*, Cincinnati* *Unlisted trading privileges

Ticker Symbol: DGN

Number of Employees:

1989	13,740	1986	15,565
1988	15,420	1985	16,535
1987	15,685		

Plant Footage:

1989	4,144,000 sq. ft.	1986	5,226,000
1988	4,860,300	1985	4,940,000
1987	4,860,000		

Sales & Earnings

	Revenue	Net Income ‡
1989*	$ 1,314,395,000	$ (119,730,000)
1988	1,364,734,000	(15,537,000)
1987	1,274,348,000	(123,665,000)
1986	1,267,959,000	(28,980,000)
1985	1,238,959,000	24,305,000

	No. of Com. Shares #	Earn. per Share ‡ #
1989*	29,213,000	$ —
1988	28,015,000	—
1987	26,964,000	—
1986	27,057,000	—
1985	26,432,000	0.92

(Loss)
* 53 weeks.
‡ Including extraordinary losses of $44,158,000 in 1987 and $34,720,000 in 1986.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Shar: ‡
1989	$ 522,126,000	$ 17.87
1988	611,921,000	21.84
1987	588,243,000	21.82
1986	682,628,000	25.23
1985	657,856,000	24.89

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	9/30/89	9/24/88
Revenue	$ 1,314,395	$ 1,364,734
Cost of revenues	699,672	686,118
Expenses	662,088	635,788
Restruc. charge	80,000	48,700
Gain on sale of facilities	(14,857)	(5,889)
Interest expense	11,293	16,209
Interest income	(9,871)	(9,455)
Loss bef. taxes	$ (113,930)	$ (6,737)
Income taxes	5,800	8,800
Net Loss	$ (119,730)	$ (15,537)

* Included in Costs and Expenses, Depreciation: $101,544,000 in 1989 and $98,384,000 in 1988.

Assets
(000's)

As of	9/30/89	9/24/88
Cash & temp. cash invest.	$ 128,906	$ 141,327
Accts. receiv., net	316,939	289,325
*Inventories	208,980	184,763
Other curr. assets	55,163	54,388
Current Assets	$ 709,988	$ 669,803
Notes receiv.-rel. parties	13,872	15,125
#Fixed assets	291,699	372,569
Other assets	24,606	20,216
Total Assets	$ 1,040,165	$ 1,077,713

Liabilities
(000's)

Notes payable	$ 67,067	$ 34,376
Accts. payable	93,644	93,613
Other curr. liabilities	281,780	262,428
Curr. Liabilities	$ 442,491	$ 390,417
Long-term debt	70,748	65,945
Deferred service revenue	4,800	9,430
+Common stock	361,031	332,717
Notes receiv.-rel. parties	(2,093)	(3,124)
Retained earnings	147,895	267,625
Cum. trans. adjust.	15,293	14,703
Total Liabilities & Shareholders' Equity	$ 1,040,165	$ 1,077,713

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Debt to Equity	0.26	0.20
Working Capital	$ 267,497,000	$ 279,386,000
Current Ratio	1.60	1.72
Shareholders' Equity	$ 522,126,000	$ 611,921,000

Datapoint Corporation

9725 Datapoint Drive
San Antonio, Texas 78284
(512) 699-7000
FAX: (512) 699-7472

Officers: Asher B. Edelman, chairman of the board; Michael M. Michigami, pres. & chief exec. officer; James R. Barnes, v.p., technical operations; Donald P. Bynum, v.p.-worldwide marketing; Raymond R. Dittrich, v.p.-U.S. sales; Brian Gifford, v.p.- Northern Europe; Yvon Y. Le Roux, v.p.- Southern Europe; Larry D. Wickwar, v.p.-customer services; G. Ross Laughead, general counsel & corp. secretary; Kenneth R. Kamp, corporate controller; Robert R. Hunt, corporate treasurer.

Directors: Asher B. Edelman, chairman of the board; Michael M. Michigami, Doris D. Bencsik, Raymond French, Daniel R. Kail, Clark R. Mandigo, Dwight D. Sutherland.

Areas of Work: Develops, manufactures and markets a range of office and computer products and systems, including local area networks, multifunction workstations, and diverse computing and office automation systems, for sale and lease worldwide. Datapoint's Attached Resource Computer (ARC) local area network provides the means for interconnection of multifunction workstations, processors and peripherals to form an integrated information processing system in an office environment.

Subsidiaries:

Datapoint-FSC, Inc.
9725 Datapoint Drive
San Antonio, Texas 78284

Datapoint Belgium S.A.
Brussels, Belgium

Datapoint Corporation Pty. Ltd.
Sydney, Australia

Datapoint do Brasil
Rio de Janeiro, Brazil

Datapoint Canada, Inc.
Toronto, Canada

Datapoint (U.K.) Ltd.
London, England

Datapoint Oy
Helsinki, Finland

Datapoint MATRA Informatique, S.A.
Paris, France

Datapoint Deutschland GmbH
Frankfurt, West Germany

Datapoint Nederland B.V.
Gouda, The Netherlands

Datapoint Corporation (N.Z.) Ltd.
Wellington, New Zealand

Datapoint Iberica S.A.
Madrid, Spain

Datapoint Italia, S.P.A.
Milan, Italy

Datapoint (Schweiz) AG
Zurich, Switzerland

Datapoint Svenska AB
Stockholm, Sweden

Transfer Agent(s):

First City Texas-Houston
P.O. Box 809
Houston, Texas 77001

Stock Exchange(s): New York

Ticker Symbol: DPT

Number of Employees:

1989	2,451	1986	3,621
1988	2,693	1985	5,993
1987	2,749		

Sales & Earnings

	Revenues	Net Income †
1989	$ 312,549,000	$ (29,236,000)
1988	330,827,000	7,997,000
1987	312,090,000	(57,770,000)
1986	325,227,000	(8,558,,000)
1985	520,168,000	(48,264,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	10,080,612	$ —
1988	10,048,519	—
1987	12,863,549	—
1986	17,977,621	—
1985	19,582,794	—

(Loss)
† Including extraordinary gains of $345,000 ($0.03 per share) in 1989, $3,714,000 ($0.37 per share) in 1988, $716,000 ($0.05 per share) in 1987, $6,847,000 ($0.38 per share) in 1986 and $2,894,000 ($0.15 per share) in 1985.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 61,693,000 †	$ 6.12
1988	108,194,000 †	10.77
1987	105,894,000 †	8.23
1986	233,265,000	12.98
1985	276,225,000	14.11

† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended July 31	1989	1988
Net sales	$ 198,204	$ 206,775
Service & lease	114,345	124,052
Total revenue	$ 312,549	$ 330,827

Cost of revenue	196,550	184,936
Expenses	136,008	130,896
Interest income	(3,339)	(4,794)
Interest expense	12,091	10,845
Other income	(135)	(3,706)
Inc. (loss) bef. taxes	$ (28,626)	$ 12,650
Income taxes	955	8,367
Net Income (Loss)	$ (29,581)	$ 4,283
Extraord. gain	345	3,714
Net Income (Loss) & extraord. gain	$ (29,236)	$ 7,997

• Included in Costs and Expenses, Depreciation and Amortization: $28,932,000 in 1989 and $25,696,000 in 1988.

Assets
(000's)

As of July 31	1989	1988
Cash & cash equiv.	$ 22,166	$ 39,237
Marketable securities	16,875	26,771
Restricted market. secur.	23,443	—
Accts. receiv., net	67,765	80,452
•Inventories	28,987	45,623
Prepaid expenses	4,250	5,362
Current Assets	$ 163,486	$ 197,445
#Fixed assets	47,819	57,620
Exc. of cost over assets acq.	85,010	92,933
Cap. software for resale	18,205	21,198
Other assets	15,483	18,221
Total Assets	$ 330,003	$ 387,417

Liabilities
(000's)

Notes payable	$ 9,481	$ 11,404
Long-term debt, curr.	21,321	20,330
Accts. payable	19,153	19,804
Accruals	41,693	48,729
Deferred revenue	9,389	12,397
Income taxes payable	5,279	7,251
Curr. Liabilities	$ 106,316	$ 119,915
Long-term debt	81,213	81,765
Other liabilities	7,395	3,553
+ Preferred stock	2,000	2,000
++ Common Stock	5,275	5,263
Add. paid-in capital	257,798	257,686
For. currency trans. adjust.	(712)	7,375
Retained earnings (deficit)	(27,677)	11,143
Treasury stock	(101,605)	(101,283)
Total Liabilities & Shareholders Equity	$ 330,003	$ 387,417

• At lower of standard cost or market.
Less accumulated depreciation.
+ $1 par value; $4.94 cumulative exchangeable.
++ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.12
%Net Income to Sales	—	2.07
%Net Income to Equity	—	2.35
Sales to Inventories	6.84	4.53
Debt. to Equity	0.83	0.62
Working Capital	$ 57,170,000	$ 77,530,000
Current Ratio	1.54	1.65
Shareholders Equity	$ 135,079,000	$ 182,184,000

Dataproducts Corporation

(The Company is no longer a publicly-held corporation.)

6200 Canoga Avenue
P.O. Box 746
Woodland Hills, California 91365-0746
(818) 887-8000

Officers: Jack C. Davis, chairman of the board, president & chief executive; Robert L. Doretti, exec. v.p.-sales & marketing; Charles A. Junkunc, sr. v.p.-finance & chief financial officer; Robert W. Kilcullen, sr. v.p.-printer business; Frank J. McQuaid, sr. v.p.-corporate development; Paul D. Weiser, sr. v.p.-secretary & corp. counsel; John W. Leggat, III, sr. v.p.-solid ink programs; W. Allen Surber, sr. v.p.-research & engineering; Irvin W. Maloney, sr. v.p.-Supplies Business Group; Dale J. Bartos, v.p. & controller.

Directors: Jack C. Davis, chairman; Chester I. Lappen, Jack D. Steele, Vincent N. Marafino, Glenn E. Penisten, Erwin Tomash, Graham Tyson.

Areas of Work: Designs and manufactures peripherals for data processing systems, including laser band, matrix, solid ink and thermal transfer printers. In addition, the Corporation designs and manufactures equipment used in digital communications systems; airborne sensors and controllers; and tempestized printers -- all mainly for the U.S. government.

Divisions and Subsidiaries:

Woodland Hills Division
6219 DeSoto Avenue
Woodland Hills, California 91365
(213) 887-8000

Dataproducts-Customer Service Division
21300 Roscoe Boulevard
Canoga Park, California 91304

Dataproducts International, Ltd.
Dataproducts House
136-138 High Street, Egham
Surrey TW20 9HL England

Dataproducts (Dublin) Limited
Clonshaugh-Industrial Estate
Dublin 5, Ireland

Dataproducts Hong Kong, Limited
95, How-Ming Street
Kwun Tong
Kowloon, Hong Kong

Dataproducts New England, Inc.
Barnes Park North
Wallingford, Connecticut 06492
(203) 265-7151

Dataproducts Supplies Division
9657 Mason Avenue
Chatsworth, California 91311
(213) 882-0530

Dataproducts Canada, Inc.
15 W. Pearce Street
Richmond Hill, Ontario L4B 1H6 Canada

Dataproducts Australia
Unit 7
81 Frenchs Forest Road
Frenchs Forest N.F.W. 2086, Australia

Imaging Solutions, Inc.
Manufactures and markets printers using new advanced solid ink technology.

Acquisition:

Echodata Corporation
Atlanta, Georgia
Manufactures and distributes a wide range of printing supplies.

Number of Employees:

1989	N.A.	1986	4,200
1988	3,550	1985	4,100
1987	N.A.		

Plant Footage:

1989	N.A.	1986	1,262,000
1988	975,000 sq. ft.	1985	1,500,000
1987	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Revenues +	Net Income
1989	$ 353,364,000	$ 3,782,000
1988	345,248,000	(20,203,000)
1987	338,758,000	8,965,000
1986	353,837,000	(26,767,000)
1985	471,828,000	27,693,000

	No. of Com. Shares #	Earn. per Share #
1989	19,809,000	$ 0.19
1988	20,606,000	—
1987	21,012,000	0.43
1986	20,806,000	—
1984	20,599,000	1.26

(Loss)
+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.16	—	—
1988	0.16	—	
1987	0.16	—	—
1986	0.16	—	—
1985	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 187,327,000	$ 9.51
1988	186,427,000	9.47
1987	220,699,000	10.51
1986	213,980,000	10.25
1985	242,929,000	11.70

Income Account *
(000's)

Year ended	3/25/89	3/26/88
Net revenues	$ 353,364	$ 345,248
Cost of revenues	256,916	253,624
Expenses	93,908	104,962
Interest expense	2,379	6,773
Interest income	(5,638)	(8,468)
Income (loss) before taxes	$ 5,799	$ (11,643)
Income taxes	2,017	8,560
Net Income (Loss)	$ 3,782	$ (20,203)

• Included in Costs and Expenses, Depreciation and Amortization: $12,791,000 in 1989 and $13,269,000 in 1988.

Assets
(000's)

As of	3/25/89	3/26/88
Cash & securities	$ 36,830	$ 101,892
Accts. receiv., net	69,067	72,586
•Inventories	68,831	59,304
Other current assets	2,622	4,172
Current Assets	$ 177,350	$ 237,954
#Fixed assets	43,962	40,220
Intangibles	17,676	12,283
Other assets	18,123	19,111
Total Assets	$ 257,111	$ 309,568

Liabilities
(000's)

Notes payable	$ 8,584	$ 38,027
Accts. payable	22,606	22,947
Accruals	15,376	14,556
Income taxes	2,090	3,481
Long-term debt, curr.	907	11,422
Dividends payable	1,576	1,575
Other curr. liabilities	9,295	20,550
Curr. Liabilities	$ 60,434	$ 112,558
Long-term debt	3,202	2,993
Deferred inc. taxes	3,349	4,453
Other liabilities	2,799	3,137
+Common stock	1,971	1,968
Add. paid-in capital	93,577	93,312
Retained earnings	91,779	91,147
Total Liabilities & Shareholders' Equity	$ 257,111	$ 309,568

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	1.64	—
%Net Income to Revenues	1.07	—
%Net Income to Equity	2.02	—
Sales to Inventories	5.96	5.82
Debt to Equity	0.07	0.28
Working Capital	$ 116,916,000	$ 127,987,000
Current Ratio	2.93	2.16
Shareholders' Equity	$ 187,327,000	$ 186,427,000

Dataram Corporation

P.O. Box 7528
Princeton, New Jersey 08543-7528
(609) 799-0071
FAX: (609) 799-6734

Officers: Raymond P. Von Culin, chairman of the board; Robert V. Tarantino, president & chief exec. officer; Thomas J. Bitar, secretary; Frank Kardashian, v.p.-finance, treasurer & asst. secretary.

Directors: Raymond P. Von Culin, chairman; Richard Holzman, John Cahill, Robert V. Tarantino.

Areas of Work: Develops, manufactures and markets computer memory and peripheral products in order to increase the value, and improve the performance of minicomputers, microcomputers and workstations.

Subsidiary:

Dataram International Sales Corporation

Transfer Agent(s):

First Fidelity Bank, N.A., New Jersey
Stock Transfer Dept.
P.O. Box 1309
Newark, New Jersey 07101

Stock Exchange(s): American

Ticker Symbol: DTM

Number of Employees:

1989	88	1986	109
1988	91	1985	112
1987	119		

Plant Footage:

1989	53,000 sq.ft.	1986	55,000
1988	55,000	1985	55,000
1987	55,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 14,378,000	$ 1,537,000
1988	13,482,000	312.000
1987	15,253,000	974,000
1986	17,458,000	4,183,000
1985	18,398,000	(793,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	1,868,556	$ 0.80
1988	1,913,473	0.16
1987	1,964,998	0.48
1986	1,967,348	2.07
1985	2,005,204	—

(Loss)
‡ Based on the average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 15,249,000	$ 8.16
1988	13,588,000	7.10
1987	13,852,000	7.05
1986	12,777,000	6.49
1985	8,392,341	4.19

‡ Based on the average number of common shares outstanding.

Income Account *

Year ended April 30	1989	1988
Revenues	$ 14,378,000	$ 13,482,000
Cost of sales	7,704,000	7,161,000
Expenses	5,166,000	6,574,000
Interest income	(72,000)	(56,000)
Interest expense	22,000	13,000
Other income	(653,000)	(524,000)
Inc. bef. taxes	$ 2,211,000	$ 314,000
Income taxes	674,000	2,000
Net Income	$ 1,537,000	$ 312,000

* Included in Costs and Expenses, Depreciation and Amortization; $167,000 in 1989 and $176,000 in 1988.

Assets

As of April 30	1989	1988
Cash	$ 10,429,000	$ 9,664,000
Marketable securities	469,000	469,000
Accts. receiv., net	2,865,000	3,091,000
*Inventories	2,161,000	1,248,000
Due from employees	12,000	17,000
Other curr. assets	85,000	93,000
Current Assets	$ 16,021,000	$ 14,582,000
#Fixed assets	1,413,000	1,329,000
Other assets	11,000	10,000
Total Assets	$ 17,445,000	$ 15,921,000

Liabilities

Accts. payable	$ 241,000	$ 540,000
Accruals	709,000	829,000
Inc. taxes payable	399,000	158,000
Curr. Liabilities	$ 1,349,000	$ 1,527,000
Deferred income taxes	847,000	806,000
+Common stock	1,871,000	1,863,000
Add. paid-in capital	3,465,000	3,430,000
Retained earnings	10,001,000	8,464,000
Notes receivable	(88,000)	(169,000)
Total Liabilities & Shareholders' Equity	$ 17,445,000	$ 15,921,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenue	15.38	2.33
%Net Income to Revenues	10.69	2.31
%Net Income to Equity	10.08	2.30
Working Capital	$ 14,672,000	$ 13,055,000
Current Ratio	11.88	9.55
Shareholders' Equity	$ 15,249,000	$ 13,588,000

Datascope Corp.

14 Philips Parkway
P.O. Box 58
Montvale, New Jersey 07645
(201) 265-8800
FAX: (201) 265-8562

Officers: Lawrence Saper, chairman & president; George Heller, sr. v.p. & secretary; Ernst Janzen, sr. v.p.-international; Bruce L. Hanson, exec. v.p.-operations; William H. Terrell, v.p.-corp. design; Andre Cohen, exec. v.p.-marketing; Murray Pitkowsky, v.p.-finance & treasurer; Richard E. Piazza, v.p.-new product development.

Directors: David Altschiller, William L. Asmundson, Joseph Grayzel, George Heller, Alan J. Patricof, Lawrence Saper, Norman Schneider.

Areas of Work: A leading manufacturer of medical products for invasive cardiology, cardiovascular surgery and anesthesiology.

Subsidiaries:

Bioplex Corp.
580 Winters Avenue
Paramus, New Jersey 07653-0005
(201) 265-8800

InterVascular, Inc.
16331 Bay Vista Drive
Clearwater, Florida 34620

Datascope B.V.
Hoevelaken, Holland

Datascope GMBH
Bremen, West Germany

Datascope Medical Co. Ltd.
Cambridge, United Kingdom

Datascope S.A.R.L
Paris, France

Manufactures and sells a proprietary line of knitted and woven vascular grafts, which are implanted surgically to replace diseased arteries.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCP (NASDAQ)

Number of Employees:

1989	1,100	1986	790
1988	993	1985	730
1987	840		

Plant Footage:

1989	217,100 sq. ft.	1986	137,100
1988	147,100	1985	145,000
1987	147,100		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 113,150,000	$ 10,479,000
1988	105,200,000	9,676,000
1987	87,600,000	5,450,000
1986	67,400,000	3,027,924
1985	50,550,000	1,688,266

	No. of Com. Shares +	Earn. per Share ‡ +
1989	5,033,000	$ 2.08
1988	4,441,000	2.18
1987	4,053,000	1.34
1986	3,854,000	0.79
1985	3,695,000	0.46

‡ Including extraordinary gains of $164,000 ($0.05 per share) in 1985.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988	1987	1986
Cardiac Assist	56 %	55 %	50 %	47 %
Patient Monitoring	39	44	41	43
Other	5	1	9	10
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 82,234,000	$ 16.09
1988	52,371,000	12.03
1987	42,042,000	9.94
1986	24,521,056	6.71
1985	21,209,416	5.89

+ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 113,150,000	$ 105,200,000
Cost of sales	42,725,000	40,763,000
Expenses	55,405,000	48,991,000
Interest expense (income)	(1,632,000)	57,000
Other expense (income)	647,000	(217,000)
Income before taxes	$ 16,005,000	$ 15,606,000
Income taxes	5,526,000	5,930,000
Net Income	$ 10,479,000	$ 9,676,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,826,000 in 1989 and $3,296,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 914,000	$ 1,258,000
Short-term invest.	12,153,000	20,978,000
Accts. receiv, net	29,168,000	25,724,000
*Inventories	33,961,000	25,134,000
Prepaid expenses	3,234,000	2,800,000
Current Assets	$ 79,430,000	$ 75,894,000
#Fixed assets	19,624,000	14,413,000
Other assets	5,126,000	5,409,000
Total Assets	$ 104,180,000	$ 95,716,000

Liabilities

Short-term debt	$ 791,000	$ 135,000
Long-term debt, curr.	206,000	284,000
Accts. payable	7,537,000	7,962,000
Accruals	7,848,000	9,994,000
Income taxes	1,340,000	1,182,000
Curr. Liabilities	$ 17,722,000	$ 19,557,000
Other liabilities	3,398,000	2,999,000
Long-term debt	427,000	19,677,000
Deferred inc. taxes	399,000	1,112,000
+Common stock	51,000	43,000
Add. paid-in capital	36,525,000	16,778,000
Retained earnings	47,012,000	36,533,000
Cum. trans. adjust.	(1,354,000)	(983,000)
Total Liabilities & Shareholders' Equity	$ 104,180,000	$ 95,716,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.14	14.83
%Net Income to Sales	9.26	9.20
%Net Income to Equity	12.74	18.48
Sales to Inventories	3.33	4.19
Debt to Equity	0.02	0.38
Working Capital	$ 61,708,000	$ 56,337,000
Current Ratio	4.48	3.[illegible]
Shareholders' Equity	$ 82,234,000	$ 52,371,[illegible]

Datasouth Computer Corporation

4216 Stuart Andrew Boulevard
P.O. Box 240947
Charlotte, North Carolina 28217
(704) 523-8500
FAX: (704) 523-9298

Officers: Paul E. Morath, chairman; James W. Busby, president; K. Nick Waller, exec. v.p.-operations; Gordon W. Friedrich, v.p.-finance, treasurer & secretary.

Directors: Paul E. Morath, chairman of the board; James W. Busby, Milford R. Derrick, William M. Hammock, W. Olin Nisbet, III, K. Nick Waller.

Areas of Work: Designs, manufactures, and distributes computer printers and related products, used primarily with multi-user micro, mini and mainframe computers for applications requiring text, graphics and barcode output.

Subsidiary:

Datasouth International Sales Corporation

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCC (NASDAQ)

Number of Employees:

1989	160	1987	148
1988	140		

Plant Footage:

1989	60,000 sq. ft.	1987	60,000
1988	60,000		

Sales & Earnings

	Revenue	Net Income
1989	$ 17,079,000	$ 126,000
1988	15,821,000	(298,000)
1987	16,284,000	(503,000)
1986	19,212,000	858,000
1985	20,852,000	1,163,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	5,690,500	$ 0.02
1988	5,690,500	—
1987	5,737,300	—
1986	5,802,207	0.15
1985	5,841,000	0.20

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 16,633,000	$ 2.92
1988	16,508,000	2.90
1987	16,806,000	2.93
1986	17,422,000	3.00
1985	16,826,000	2.88

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Revenues	$ 17,079,773	$ 15,820,846
Cost of revenues	11,503,038	10,820,669
Expenses	6,438,020	6,351,420
Interest income	(992,351)	(660,619)
Other income	21,602	142,669
Inc. (loss) bef. taxes	$ 109,464	$ (833,293)
Tax credit	(16,376)	(534,848)
Net Income (Loss)	$ 125,840	$ (298,445)

* Included in Costs and Expenses, Depreciation and Amortization: $570,008 in 1989 and $834,022 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 6,540,226	$ 10,577,152
Market. securities	4,772,890	—
Accts. receiv., net	1,992,087	2,060,902
Refund inc. taxes	128,369	537,593
*Inventories	3,006,694	2,685,184
Prepaid expenses	159,213	135,061
Current Assets	$ 16,599,479	$ 15,995,892
#Fixed assets	1,087,423	1,429,786
Other assets	534,244	448,514
Total Assets	$ 18,221,146	$ 17,874,192

Liabilities

Cap. lease oblig., curr.	$ 6,522	$ 5,972
Accts. payable	1,056,416	923,985
Emp. taxes withheld	16,639	15,827
Accrued payroll	214,116	203,065
Accrued retire. plan	10,550	10,000
Other accruals	277,265	195,022
Curr. Liabilities	$ 1,581,508	$ 1,353,871
Cap. lease oblig.	6,263	12,786
+Common stock	58,410	58,410
Add. paid-in capital	8,145,570	8,145,570
Retained earnings	8,804,853	8,679,013
Treasury stock	(375,458)	(375,458)
Total Liabilites & Shareholders' Equity	$ 18,221,146	$ 17,874,192

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	0.64	—
%Net Income to Revenues	0.74	—
%Net Income to Equity	0.76	—
Working Capital	$ 15,017,971	$ 14,642,021
Current Ratio	10.50	11.81
Shareholders' Equity	$ 16,633,375	$ 16,507,535

Datum Inc.

1363 South State College Boulevard
Anaheim, California 92806-5790
(714) 533-6333
FAX: (714) 533-6345

Officers: Louis B. Horwitz, chairman of the board & president; William E. Baldwin, v.p.- Datum Inc. & Pres.-Datum Timing; Robert F. Ellis, v.p.-Datum Inc. & Pres-Austron, Inc.; Raymond L. Waguespack, v.p.-Datum Inc. & Pres.-Spectrum Technology, Inc.; Benjamin F. Tarver, v.p.-finance, treasurer & secretary; Martha Gibbs, asst. secretary.

Directors: Louis B. Horwitz, chairman; Edward A. Money, Michael M. Mann, G. Tilton Gardner, Dan L. McGurk, Thomas J. O'Rourke.

Areas of Work: Engaged in the design, development and manufacture of precision frequency and timing instrumentation products.

Subsidiaries:

Frequency and Time Systems, Inc.
34 Tozer Road
Beverly, Massachusetts 01915
(508) 927-8220

Spectrum Technology, Inc.
300 Lopez Road
Goleta, California 93116
(805) 964-7791
Produces a line of quartz crystal oscillators.

Bancomm Corporation
San Jose, California
Produces a line of timing instrumentation products.

Austron, Inc.
P.O. Box 14766
North Interstate 35, Exit 248
Austin, Texas 78761
(512) 251-2341
Manufactures precise time and frequency instruments required by industrial, scientific and military customers for use in communications, space and missile tracking navigation and metrology applications. Also manufactures coding instruments and systems, crystal oscillators, computer channel adapter interface equipment, and other electronic devices.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DATM (NASDAQ)

Number of Employees:

1989	470	1987	362
1988	460	1986	386

Plant Footage:

1989	N.A.	1987	140,140
1988	373,040 sq. ft.	1986	125,700

N.A.-Not Available

Sales & Earnings

	Net Sales ⌗	Net Income
1989	$ 36,990,000	$ 1,350,000
1988	31,901,000	1,079,000
1987	27,821,000	1,002,000
1986	24,154,000	1,015,000
1985	19,137,000	976,000

	No. of Com. Shares	Earn. per Share ‡
1989	2,724,357	$ 0.50
1988	2,725,357	0.40
1987	2,728,890	0.37
1986	2,728,890	0.36
1985	2,798,863	0.33

⌗ Includes contract revenues.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 18,614,000	$ 6.83
1988	17,235,000	6.32
1987	16,018,000	5.87
1986	14,803,000	5.42
1985	14,190,000	5.07

Income Account*

Year ended Dec. 31	1989	1988
Net sales & contract revenues	$ 36,990,000	$ 31,901,000
Cost of sales & revenues	22,340,000	19,270,000
Expenses	11,867,000	10,637,000
Loss on short-term invest.	—	60,000
Interest expense	718,000	526,000
Interest income	(165,000)	(139,000)
Income before taxes	$ 2,230,000	$ 1,547,000
Income taxes	880,000	571,000
Cum effect of acct. change	—	(103,000)
Net Income	$ 1,350,000	$ 1,079,000

* Included in Cost and Expenses, Depreciation and Amortization: $1,226,000 in 1989 and $1,048,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 1,290,000	$ 1,039,000
Accts. receiv., net	8,887,000	9,393,000
*Inventories	6,380,000	7,537,000
Prepaid expenses	126,000	148,000
Income taxes receiv.	—	152,000
Current Assets	$ 16,683,000	$ 18,269,000
⌗Fixed assets	9,119,000	8,905,000
Accts. receiv.	—	711,000
Exc. of cost over assets acq.	3,766,000	3,859,000
Other assets	291,000	374,000
Total Assets	$ 29,859,000	$ 32,118,000

Liabilities

Long-term debt, curr.	$ 1,662,000	$ 1,038,000
Accts. payable	1,511,000	1,553,000
Accrued payroll	1,491,000	1,125,000
Other accruals	579,000	891,000
Income taxes payable	40,000	153,000
Deferred inc. taxes	1,498,000	1,573,000
Curr. Liabilities	$ 6,781,000	$ 6,333,000
Long-term debt	3,495,000	7,658,000
Deferred income taxes	969,000	892,000
+Common stock	681,000	681,000
Add. paid-in capital	10,482,000	10,453,000
Retained earnings	7,451,000	6,101,000
Total Liabilities & Shareholders' Equity	$ 29,859,000	$ 32,118,000

* At lower of cost (FIFO) or market.
⌗ Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.03	4.85
%Net Income to Sales	3.65	3.38
%Net Income to Equity	7.25	6.26
Sales to Inventories	5.80	4.23
Debt to Equity	0.28	0.50
Working Capital	$ 9,902,000	$ 11,936,000
Current Ratio	2.46	2.88
Shareholders' Equity	$ 18,614,000	$ 17,235,000

DBA Systems, Inc.

P.O. Drawer 550
1200 South Woody Burke Road
Melbourne, Florida 32902-0550
(407) 727-0660
FAX: (407) 727-0660

Officers: Howard N. Hebert, chairman of the board & chief exec. officer; Jon D. Guess, v.p.- controller & chief financial officer; Gerald A. Nathe, president & chief operating officer; John N. Elder, v.p. & treasurer & asst. secretary; Eugene S. Cavallucci, v.p., gen. counsel & secretary; Robert c. Underwood, v.p..

Directors: Howard N. Hebert, chairman; George L. MacKay, Harry Huge, William C. Potter, John C. Colman, Gordon O.F. Johnson, Franklin S. Atwater, Gerald A. Nathe, Harold M. Agnew.

Areas of Work: Engaged in the development and production of trackers used in airborne and ground based weapons, and for satellites and gun fire-control systems; message switching systems as well as complete message preparation and distribution terminals. Produces instrumentation and systems for photogrammetric structural measurement and aerial photography, primarily for government use. Also manufactures computerized digital image processing systems used in biomedical research and medical diagnostic applications.

Divisions and Subsidiaries:

DBA Systems Inc.-Washington D.C. Division
Redwood Plaza
10560 Arrowhead Drive
Fairfax, Virginia 22030
(703) 934-6801

DBA Systems, Inc.-Melbourne
1135 West NASA Boulevard
P.O. Drawer 550
Melbourne, Florida 32902-0550
(407) 727-0660

DBA Systems, Inc.-Kissimmee
1901 S. Poinciana Blvd.
Kissimmee, Florida 34758-2098
(407) 933-5100
Manufactures night vision scopes, printed circuit boards, gyroscopes, and navigation products for the military.

DBA Systems, Inc.-Huntsville
4835 University Square, Suite 2
Huntsville, Alabama 35816
(800) 825-8554

Environmental Energy Research Group (EERG, Inc.)
1250 W. Nasa Blvd.
P.O. Drawer 550
Melbourne, Florida 32902-0550
(407) 727-0660
Engages in electro-optical sensor development.

DBA Systems, Inc.

Digital Cartographic Systems, Inc.
1135 W. Nasa Blvd.
P.O. Drawer 550
Melbourne, Florida 32902-0550
(407) 727-0660

Supplies visual and radar data bases, together with support software, to defense contractors.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DBAS (NASDAQ)

Number of Employees:

1989	600	1986	805
1988	750	1985	800
1987	991		

Plant Footage:

1989	165,000 sq. ft.	1987	265,950
1988	165,000	1986	240,750

Sales & Earnings

	Revenues	Net Income
1989	$ 55,135,000	$ 1,321,000
1988	61,871,000	4,205,000
1987	52,709,000	3,697,000
1986	50,244,000	4,374,000
1985	41,309,000	3,651,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,652,000	$ 0.50
1988	2,677,000	1.57
1987	3,186,000	1.16

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 20,899,000	$ 7.88
1988	11,979,000	4.47
1987	25,025,000	7.85
1986	31,783,000	—
1985	26,228,000	—

‡ Based on the weighted average number of shares outstanding.

Income Account*

Year ended June 30	1989	1988
Revenues	$ 55,135,000	$ 61,871,000
Cost of revenues & expenses	54,180,000	56,749,000
Interest income	(145,000)	(1,051,000)
Interest expense	2,014,000	2,861,000
Gain on sale of subsid.	—	(812,000)
Other expense (income)	1,388,000	(315,000)
Inc. (loss) bef. taxes	$ (2,302,000)	$ 4,439,000
Income taxes (credit)	(3,623,000)	608,000
Inc.-cont. oper.	$ 1,321,000	$ 3,831,000
Inc.-discont. oper.	—	374,000
Net Income	$ 1,321,000	$ 4,205,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,861,000 in 1989 and $2,139,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 40,000	$ 1,627,000
Accts. receiv., net	9,265,000	9,478,000
Costs in excess of billings on Gov't. contracts	12,078,000	13,721,000
Refundable income taxes	240,000	253,000
*Inventories	1,849,000	1,983,000
Other curr. assets	893,000	421,000
Current Assets	$ 24,365,000	$ 27,483,000
#Fixed assets	19,980,000	19,373,000
Deferred inc. taxes	479,000	—
Cost in exc. of assets acq.	3,255,000	3,341,000
Other assets	4,321,000	3,530,000
Total Assets	$ 52,400,000	$ 53,727,000

Liabilities

	1989	1988
Notes payable	$ 6,500,000	$ 3,000,000
Long-term debt, curr.	404,000	422,000
Accts. payable	3,338,000	1,807,000
Accruals	1,911,000	2,395,000
Billings in exc. of costs on Gov't. contracts	198,000	802,000
Losses on uncomplete contracts	1,155,000	1,307,000
Other curr. liab.	458,000	461,000
Curr. Liabilities	$ 13,964,000	$ 10,194,000
Deferred taxes	—	4,105,000
Long-term debt	17,537,000	27,449,000
+Common stock	395,000	344,000
Add. paid-in capital	18,529,000	8,972,000
Retained earnings	24,354,000	23,033,000
Treasury stock	(22,379,000)	(20,370,000)
Total Liabilities & Shareholders' Equity	$ 52,400,000	$ 53,727,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
%Net Income to Revenues	2.40	—
%Net Income to Equity	6.32	35.10
Debt to Equity	1.17	2.58
Working Capital	$ 10,401,000	$ 17,289,000
Current Ratio	1.74	2.70
Shareholders' Equity	$ 20,899,000	$ 11,979,000

Decom Systems, Inc.

1945 Palomar Oaks Way
Carlsbad, California 92009
(619) 431-1945
FAX: (619) 431-1946

Officers: John A. Robinson, Jr., chairman, president & chief exec. officer; Richard K. Carrine, v.p.-manufacturing & secretary; George F. Tremain, v.p.-marketing and corp. development; Steven E. Borgardt, treasurer & chief financial officer.

Directors: John A. Robinson, chairman; Richard K. Carrine, Kenneth D. Holland, George F. Tremain, Earle C. May.

Areas of Work: Designs, manufactures, and markets a wide range of electronic communications equipment used in aerospace telecommunications. The Company's principal aerospace telemetry products are PSK (Phase Shift Key) and PCM (Pulse Code Modulation) telemetry ground support systems and related test equipment.

Subsidiaries:

Coded LMR Holding, Inc.
Carlsbad, California

Coded Communications Network Systems, Inc.
Carlsbad, California

DSI Management Company
Carlsbad, California

Decom Systems GmbH
Munich, West Germany

Transfer Agent(s):

Union Bank
Trust Department
8155 Mercury Court
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSII (NASDAQ)

Number of Employees:

1989	72	1987	80
1988	68	1986	118

Plant Footage:

1989	39,500 sq. ft.	1987	36,000
1988	39,500	1986	46,000

Sales & Earnings

	Revenues	Net Income +
1989	$ 8,000,000	$ 457,000
1988	6,589,000	(2,247,000)
1987	9,831,000	850,000
1986	13,189,000	1,135,000
1985	11,034,000	(3,905,000)

	No. of Com. Shares ‡	Earn. per Share +‡
1989	2,713,000	$ 0.17
1988	2,713,000	—
1987	2,735,000	0.31
1986	2,715,000	0.42
1985	2,656,000	—

(Loss)
+ Including extraordinary gains of $232,000 ($0.08 per share) in 1987 and $215,000 ($0.08 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988
Aerospace telecommunications	$ 8,000,000	$ 6,479,000
Land mobile radio communications	—	110,000
Total	$ 8,000,000	$ 6,589,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,185,000	$ 0.44
1988	728,000	0.27
1987	2,975,000	1.09
1986	2,012,000	0.74
1985	847,000	0.32

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 8,000,000	$ 6,589,000
Cost of sales	3,272,000	4,037,000
Expenses	4,050,000	4,637,000
Interest expense	270,000	249,000
Interest income	(78,000)	(112,000)
Inc. (loss) bef. taxes	$ 486,000	$ (2,222,000)

Income taxes	29,000	25,000
Net Income (Loss)	$ 457,000	$ (2,247,000)

* Included in Costs and Expenses, Depreciation and Amortization: $319,000 in 1989 and $331,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 2,363,000	$ 703,000
Accts. receiv., net	839,000	995,000
Unbilled costs	—	625,000
*Inventories	1,399,000	1,142,000
Other curr. assets	139,000	134,000
Current Assets	$ 4,740,000	$ 3,599,000
#Fixed assets	564,000	774,000
Other assets	198,000	184,000
Total Assets	$ 5,502,000	$ 4,557,000

Liabilities

Long-term debt, curr.	$ 1,034,000	$ 650,000
Accts. payable	336,000	291,000
Accrued payroll	299,000	259,000
Accrued commissions	207,000	291,000
Loss prov. for uncomp. contract	—	300,000
Other accruals	705,000	675,000
Income taxes	93,000	71,000
Curr. Liabilities	$ 2,674,000	$ 2,537,000
Long-term debt	1,610,000	1,259,000
Deferred inc. taxes	33,000	33,000
+Common stock	2,873,000	2,873,000
Retained earnings (deficit)	(1,688,000)	(2,145,000)
Total Liabilities & Shareholders' Equity	$ 5,502,000	$ 4,557,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.08	—
%Net Income to Sales	5.71	—
%Net Income to Equity	38.57	—
Sales to Inventories	5.72	5.77
Debt to Equity	2.23	2.62
Working Capital	$ 2,066,000	$ 1,062,000
Current Ratio	1.77	1.42
Shareholders' Equity	$ 1,185,000	$ 728,000

Del Electronics Corp.

250 E. Sandford Boulevard
Mount Vernon, New York 10550
(914) 699-2000
FAX: (914) 699-4005

Officers: Leonard A. Trugman, chairman, chief executive officer & president; Bela Hohner, sr. v.p.-research & development and engineering; William Kaufman, v.p.-planning & control and secretary; Louis Farin, v.p.-manufacturing; Joseph P. Stefanowicz, v.p-marketing; Stanley Zweig, v.p.-Stanley Electronics Division.

Directors: Leonard A. Trugman, chairman, Raymond Kaufman, Hugo J. DiGiovanni, Natan Bertman, Jerome H. Fuchs, David Michael, James Tiernan.

Areas of Work: Manufacturer of high voltage power supplies, transformers and capacitors for military, commercial and industrial purposes.

Subsidiary:

Stanley Electronics, Inc.
Manufactures high voltage mica capacitors.

Acquisition:

RFI Corporation
Designs and manufactures electronics filters, serving industrial and military markets.

Transfer Agent(s):

Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: DEL

Number of Employees:

1989	95	1987	107
1988	N.A.	1986	85

Plant Footage:

1989	61,000 sq. ft.	1987	61,000
1988	61,000	1986	61,000

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 8,945,631	$ 506,560
1988	8,392,599	469,542
1987	6,492,344	240,324
1986	5,324,921	46,341
1985	6,481,374	(47,887)

	No of Com. Shares	Earn. per Share #
1989	1,187,750	$ 0.30
1988	1,180,817	0.29
1987	938,675	0.18
1986	877,438	0.04
1985	807,158	—

(Loss)
Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	6%	—
1988	—	5%	
1987	—	5%	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,151,282	$ 2.65
1988	2,673,652	2.26
1987	1,783,407	1.90
1986	1,492,195	1.70
1985	1,363,177	1.69

Income Account*

Year ended	7/29/89	7/30/88
Net sales	$ 8,945,631	$ 8,392,599
Cost of sales	6,044,628	5,876,453
Expenses		
Res. & develop.	488,149	417,000
Sell., gen., & adm.	1,588,806	1,344,378
Interest expense	85,390	81,300
Income bef. taxes	$ 738,658	$ 673,468
Income taxes	232,098	203,926
Net Income	$ 506,560	$ 469,542

* Included in Costs and Expenses, Depreciation and Amortization: $85,845 in 1989 and $41,446 in 1988.

Assets

As of	7/29/89	7/30/88
Cash	$ 86,666	$ 130,080
Accts. receiv., net	1,583,427	1,475,058
*Inventories	2,910,351	3,025,644
Prepaid expenses	136,605	112,944
Current Assets	$ 4,717,049	$ 4,743,726
#Fixed assets	422,824	242,907
Other assets	168,221	166,035
Total Assets	$ 5,308,094	$ 5,152,668

Liabilities

Notes payable	$ 539,449	$ 464,419
Long-term debt, curr.	99,162	124,000
Accts. payable	491,848	820,867
Accruals:		
Payroll	232,844	237,074
Commissions	236,354	201,834
Other	295,207	205,282
Income taxes	47,340	111,770
Curr. Liabilities	$ 1,942,204	$ 2,165,246
Long-term debt	214,608	313,770
+Common stock	118,775	118,082
Add. paid-in capital	1,963,887	1,938,580
Retained earnings	1,068,620	616,990
Total Liabilities Shareholders' Equity	$ 5,308,094	$ 5,152,668

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.26	8.02
%Net Income to Sales	5.66	5.59
%Net Income to Equity	16.07	17.56
Sales to Inventories	3.07	2.77
Debt to Equity	0.27	0.34
Working Capital	$ 2,774,845	$ 2,578,480
Current Ratio	2.43	2.19
Shareholders' Equity	$ 3,151,282	$ 2,673,652

Designatronics Incorporated

2101 Jericho Turnpike
New Hyde Park, New York 11040
(516) 328-3300
FAX: (516) 326-8827

Officers: Sol Schwartz, president; Joseph Rubenfeld, exec. v.p. & treasurer; Martin Hoffman, sr. v.p. & chief financial officer; Frank Buchsbaum, sr. v.p.; Hitoshi Tanaka, v.p.; Shirley Brown, secretary.

Directors: Frank Buchsbaum, Martin Hoffman, Joseph Rubenfeld, Sol Schwartz, Reuben M. Siwek.

Areas of Work: Through its divisions and subsidiaries, the Company designs, manufactures, or supplies a wide array of over 70,000 mechanical, electromechanical, and electronic components and sub-assemblies.

Divisions:

Sterling Instrument Division
New Hyde Park, New York 11040
Manufactures precision mechanical components, including precision gears, differentials, brakes, clutches, couplings bearings and shafts.

Stock Drive Products Division
New Hyde Park, New York 11040
Manufactures and markets standard and designed-to-order small commercial quality drive components.

Stock Model Parts Division
55 South Denton Avenue
New Hyde Park, New York 11040
Electro-mechanical training for schools as well as models for hobbyists.

Designatronics Incorporated

Techno Division
14 Crandall Ave.
Pompton Lakes, New Jersey 07442
Research and development of micro-computer controlled automation and robotics.

Perfect Gear and Instrument Division
New Hyde Park, New York

Western Component Sales
9719 Mason Avenue
Chatsworth, California 91311

Subsidiaries:

Accusonic Systems Corporation
Manufactures speakers, headsets and microphones designed for use in severe environments, such as military, marine and aviation applications.

United Products Company
1080 Garden State Road
Union, New Jersey 07083
Engaged in the manufacture of injection molded products for the electronic mechanical drive, medical packaging, and display industries.

Designatronics Foreign Sales Corp. (FSC)
New Hyde Park, New York 11040
Engaged in export activities for incorporated divisions as well as the products produced by other U.S. manufacturers.

Automatic Coil Corp.
3545 N.W. 71st Street
Miami. Florida 33147
Manufacturer of custom designed inductive components.

Automatic Accusonic Haiti Corp., S.A.
Port-au-Prince, Haiti
Products manufactured include a complete line of IF-RF coils, toroids, baluns, bobbins and related windings in addition to specially engineered inductors, transformers, filters, discriminators, a wide range of electronic assemblies, and printed circuit board assemblies.

Automatic Accusonic Costa Rica Corp., S.A.
San Jose, Costa Rica

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American, Pacific

Ticker Symbol: DSG

Number of Employees:

1989	750	1987	594
1988	841	1986	714

Plant Footage:

1989	194,300 sq. ft.	1987	178,700
1988	189,300	1986	178,700

Sales & Earnings

	Net Sales	Net Income
1989	$ 25,973,904	$ (133,687)
1988	25,113,762	727,314
1987	21,792,330	82,557
1986	19,320,258	(523,384)
1985	19,667,577	485,374

	No. of Com. Shares +	Earn per Share +
1989	2,919,933	$ —
1988	2,935,942	0.25
1987	2,991,654	0.03
1986	3,015,120	—
1985	2,992,992	0.17

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1989	1988
Electro-mechanical & mechanical components	$ 20,292,000	$ 18,048,000
Electronic	5,682,000	7,066,000
Total	$ 25,974,000	$ 25,114,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	5%	—
1988	—	5%	
1987	—	5%	—
1986	—	5%	—
1985	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 9,964,117	$ 3.41
1988	10,098,537	3.44
1987	9,569,978	3.20
1986	9,507,604	3.15
1985	10,096,855	3.37

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Aug. 31	1989	1988
Net sales	$ 25,973,904	$ 25,113,762
Cost of sales	18,783,565	17,017,323
Expenses	7,305,292	6,791,061
Interest expense	367,294	190,116
Interest income	(57,711)	(46,081)
Other income	(199,849)	(167,971)
Inc. (loss) bef. taxes	$ (224,687)	$ 1,329,314
Income taxes (credit)	(91,000)	602,000
Net Income (Loss)	$ (133,687)	$ 727,314

* Included in Costs and Expenses, Depreciation and Amortization: $723,003 in 1989 and $718,568 in 1988.

Assets

As of Aug. 31	1989	1988
Cash & cash equiv.	$ 536,796	$ 651,813
Accts. receiv., net	4,277,079	4,132,124
*Inventories	8,324,125	4,338,740
Prepaid expenses	210,922	163,434
Deferred income taxes	49,085	—
Current Assets	$ 13,398,007	$ 12,286,111
#Fixed assets	2,705,937	2,489,524
Other assets	309,734	306,337
Total Assets	$ 16,413,678	$ 15,081,972

Liabilities

Cash overdraft	$ 615,126	$ —
Long-term debt, curr.	34,691	14,042
Accts. payable	969,545	1,528,026
Accrued payroll	405,187	408,132
Other accruals	568,274	437,791
Income taxes	363,176	483,280
Current Liabilities	$ 2,955,999	$ 2,871,271
Long-term debt	3,473,235	1,834,386
Deferred inc. taxes	—	234,915
Other liabilities	20,327	42,863
+Common stock	118,436	118,436
Add. paid-in capital	9,385,343	9,115,125
Retained earnings	572,506	1,245,278
For. curr. trans. adjust.	(667)	(2,083)
Treasury stock	(111,501)	(378,219)
Total Liabilities & Shareholders' Equity	$ 16,413,678	$ 15,081,972

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.04 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	5.29
% Net Income to Sales	—	2.90
% Net Income to Equity	—	7.20
Sales to Inventories	3.12	3.42
Debt to Equity	0.35	0.18
Working Capital	$ 10,442,008	$ 9,414,840
Current Ratio	4.53	4.28
Shareholders Equity	$ 9,964,117	$ 10,098,537

Detection Systems, Inc.

130 Perinton Parkway
Fairport, New York 14450
(716) 223-4060
FAX: (716) 223-9180

Officers: Karl H. Kostusiak, president; David B. Lederer, exec. v.p.; Frank J. Ryan, v.p., secretary & treasurer; James R. Berube, v.p.-systems engineering.

Directors: Karl H. Kostusiak, David B. Lederer, Joseph M. LoBozzo, Jr., Edward C. McIrvine, W. Mathew Juechter.

Areas of Work: Designs, manufactures, and markets electronic instrumentation and control equipment for the security and facility management industries. The Company's product line includes electronic intrusion detectors, fire detectors, alarm control equipment, and microprocessor-based energy management equipment.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Lincoln First Tower
Rochester, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DETC (NASDAQ)

Number of Employees:

1989	271	1986	193
1988	203	1985	173
1987	226		

Plant Footage:

1989	84,000 sq. ft.	1988	84,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 21,863,000	$ 1,644,000
1989	19,140,000	1,550,000
1988	16,965,000	1,176,000
1987	13,025,000	713,000
1986	9,328,000	2,000

	No. of Com. Shares +		Earn. per Share #
1990	2,471,165	$	0.59
1989	2,453,197		0.57
1988	2,479,357		0.48
1987	2,413,221		0.29
1986	2,367,727		—

(Loss)
+ Adjusted to reflect stock split.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	—	5-for-4

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	12,019,242	$	4.86
1989		10,511,482		4.28
1988		9,157,073		3.69
1987		7,747,070		3.21
1986		6,941,249		2.93

‡ Adjusted to reflect stock split.

Income Account*

Year ended March 31		1990		1989
Net sales	$	21,862,970	$	19,140,233
Interest income		444,433		344,768
Total income	$	22,307,403	$	19,485,001
Cost of sales		15,070,072		12,720,198
Expenses		4,373,711		4,075,874
Interest expense		285,751		333,925
Inc. bef. taxes	$	2,577,869	$	2,355,004
Inc. taxes		934,000		805,000
Net Income	$	1,643,869	$	1,550,004

* Included in Costs and Expenses, Depreciation and Amortization: $991,173 in 1990 and $826,960 in 1989.

Assets

As of March 31		1990		1989
Cash & cash equiv.	$	4,294,578	$	1,556,140
Short-term invest.		—		3,270,986
Accts. receiv., net		3,039,238		2,464,707
*Inventories		4,041,556		3,036,689
Inc. taxes receiv.		148,223		—
Deferred income tax charges		215,000		149,200
Prepaid expenses		283,309		205,830
Current Assets	$	12,021,904	$	10,683,552
#Fixed assets		2,927,030		2,779,901
Prop. under cap. lease		2,825,115		2,985,516
Other assets		195,141		205,157
Total Assets	$	17,969,190	$	16,654,126

Liabilities

Long-term debt, curr.	$	269,317	$	266,782
Accts. payable		431,680		581,309
Accrued payroll		815,490		765,747
Interest payable		63,028		87,192
Other accruals		177,405		119,704
Income taxes payable		—		120,065
Curr. Liabilities	$	1,756,920	$	1,940,799
Oblig. under cap. leases		1,729,788		1,999,105
Subord. convert. deben.		1,000,000		1,000,000
Deferred compensation		688,840		334,140
Deferred inc. taxes		774,400		868,600
+Common stock		128,253		125,160
Add. paid-in capital		5,914,984		5,681,541
Retained earnings		6,632,400		4,988,531
Treasury stock		(531,797)		(250,000)
Notes receiv. - stock purch.		(124,598)		(33,750)
Total Liabilities & Shareholders' Equity	$	17,969,190	$	16,654,126

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Sales		11.79		12.30
% Net Income to Sales		7.52		8.10
% Net Income to Equity		13.68		14.75
Sales to Inventories		5.41		6.30
Debt to Equity		0.17		0.22
Working Capital	$	10,264,984	$	8,742,753
Current Ratio		6.84		5.50
Shareholders' Equity	$	12,019,242	$	10,511,482

The Dewey Electronics Corporation

27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Officers: Gordon C. Dewey, president; Frances Dommeieers, v.p.-administration; John G. McQuaid, secretary.

Directors: Frances D. Dewey, Gordon C. Dewey, Peter Eustis, John G. McQuaid, Alexander A. Cameron, Jr., Millard F. West, Jr..

Areas of Work: The Corporation develops and produces torpedo and mine casings, electronic sonar, communications and other anti-submarine warface special-purpose electronic equipment. The Pitometer Log Division also manufactures ship speed and distance measuring instrumentation.

Divisions:

Pitometer Log Division
27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Manufacturer of ship speed and distance measuring instrumentation.

HEDCO Division

Designs, manufactures and markets snowmaking machinery.

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEWY (NASDAQ)

Sales & Earnings

		Revenues		Net Income †
1988	$	5,644,119	$	(2,278,389)
1987		10,821,932		127,907
1986		10,586,428		(234,950)
1985		13,108,447		(311,341)
1984		15,772,633		489,898

	No. of Com. Shares +		Earn. per Share ‡ †
1988	1,339,285	$	—
1987	1,339,185		0.09
1986	1,339,208		—
1985	1,339,208		—
1984	1,339,208		0.37

(Loss)
† Including extraordinary loss of $206,163 ($0.15 per share) in 1984.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

		1988		1987
Electronic products		4,107,000	$	9,607,000
Leisure & recreation		1,537,000		1,215,000
Total	$	5,644,000	$	10,822,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	
1986	—	—	—
1985	—	—	—
1984	—	—	3-for-2

Common Stock Equity

		Total Equity		Equity Per Share +
1988	$	1,074,857	$	0.80
1987		3,353,046		2.50
1986		3,225,220		2.41
1985		3,460,170		2.58
1984		3,771,511		2.82

+ Adjusted to reflect stock split.

Income Account *

Year ended June 30		1988		1987
Revenues	$	5,644,119	$	10,821,932
Cost of revenues		7,903,103		8,652,318
Expenses		1,733,035		1,728,466
Interest expense		412,117		393,890
Patent settlement		(477,330)		—
Gain on dispos. of land		(190,473)		(228,237)
Interest income		(27,944)		(21,217)
Inc. (loss) bef. taxes	$	(3,708,389)	$	296,712
Income taxes (credit)		(1,143,000)		168,805
Cum. effect of change in accntng. meth.		(287,000)		—
Net Income (Loss)	$	(2,278,389)	$	127,907

* Included in Costs and Expenses, Depreciation and Amortization: $268,637 in 1988 and $269,939 in 1987.

Assets

As of June 30		1988		1987
Cash	$	54,622	$	89,284
Accts. & notes receiv. net		721,083		1,391,276
Contract costs		265,383		3,305,064
*Inventories		853,319		1,223,660
Prepaid expenses & other assets		386,385		485,220
Current Assets	$	2,280,792	$	6,494,504

#Fixed assets	1,751,911	1,977,131
Intangibles	108,915	135,054
Other assets	32,728	—
Contract costs attrib. to claims	1,486,451	1,636,461
Total Assets	$ 5,660,797	$ 10,243,150

Liabilities

Notes payable	$ —	$ 500,000
Long-term debt, curr.	179,350	549,689
Accts. payable	624,549	1,366,749
Accruals	454,265	336,540
Deferred income taxes	—	1,192,562
Curr. Liabilities	$ 1,258,164	$ 3,945,540
Deferred income taxes	—	237,438
Long-term debt, curr.	3,327,776	2,707,126
+Common stock	16,934	16,934
Add. paid-in capital	2,835,307	2,835,307
Retained earnings (deficit)	(1,256,821)	1,021,568
Treasury stock	(520,563)	(520,763)
Total Liabilities & Shareholders' Equity	$ 5,660,797	$ 10,243,150

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.74
%Net Income to Sales	—	1.18
%Net Income to Equity	—	3.81
Debt to Equity	3.26	1.12
Working Capital	$ 1,022,628	$ 2,551,964
Current Ratio	1.81	1.65
Shareholders' Equity	$ 1,074,857	$ 3,353,046

Dexon, Inc.

(The Company went private May, 1990.)

3842 Washington Avenue North
Minneapolis, Minnesota 55412
(612) 358-4713

Officers: John H. Sandbo, chairman, president & chief executive officer; Mary M. Smith, secretary; Robert W. True, v.p. & treasurer; David Walter, v.p.-operations; John Metsa, v.p.-sales & marketing.

Directors: John H. Sandbo, chairman; Clarence E. Westin, Jon R. Holt, David J. Ekberg, David G. Croonquist.

Areas of Work: Engaged in the design and manufacture of ultra-clean air systems and wet process work stations and quartz tube cleaners which are used in the manufacture of integrated circuits.

Number of Employees:

1989	68	1987	79
1988	102		

Plant Footage:

1989	70,400 sq. ft.	1987	70,400
1988	70,400		

Sales & Earnings

	Revenues +	Net Income †
1989	$ 7,789,000	$ (843,000)
1988	8,764,000	101,000
1987	6,340,000	(499,000)
1986	6,843,000	(179,000)
1985	6,924,000	283,000

	No. of Com. Shares	Earn. per Share †#
1989	677,250	$ —
1988	677,250	0.14
1987	673,050	—
1986	670,050	—
1985	667,350	0.42

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $29,857 ($0.14 per share) in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 91,000	$ 0.13
1988	934,000	1.38
1987	824,000	1.23
1986	1,320,000	1.93
1985	1,494,000	2.22

Income Account *

Year ended Mar. 31	1989	1988
Net sales	$ 7,789,338	$ 8,763,557
Cost of sales	5,706,833	5,912,890
Expenses	2,421,717	2,416,531
Interest expense	494,071	329,890
Other expense (income)	9,751	(13,377)
Inc. (loss) bef. taxes	$ (843,034)	$ 117,623
Income taxes	—	34,617
Inc. (loss)-cont. oper.	$ (843,034)	$ 117,623
Loss-discont. oper.	—	(11,414)
Net Income (Loss)	$ (843,034)	$ 71,592
Extraord. gain	—	29,857
Net Income (Loss) & extraord. gain	$ (843,034)	$ 101,449

* Included in Costs and Expenses, Depreciation: $306,935 in 1988 and $241,070 in 1988.

Assets

As of Mar. 31	1989	1988
Cash & short-term invest.	$ —	$ 26,944
Funds held by trustee	54,001	57,814
Accts. receiv., net	1,310,867	2,399,585
* Inventories	2,557,374	1,924,153
Other curr. assets	92,465	79,970
Current Assets	$ 4,014,707	$ 4,488,466
# Fixed assets	1,955,786	2,066,825
Total Assets	$ 5,970,493	$ 6,555,291

Liabilities

Cash overdraft	$ 60,580	$ —
Notes payable	3,000,000	2,500,000
Long-term debt, curr.	90,056	89,757
Accts. payable	1,212,071	1,295,426
Compen. & rel. taxes	259,248	414,927
Accrued interest	62,694	60,969
Other liab.	197,928	173,206
Curr. Liabilities	$ 4,882,577	$ 4,534,285
Long-term debt	996,967	1,087,023
+ Common stock	338,625	338,625
Add. paid-in capital	455,826	455,826
Retained earnings (deficit)	(703,502)	139,532
Total Liabilities & Shareholders' Equity	$ 5,970,493	$ 6,555,291

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Net Income to Equity	—	7.67
Sales to Inventories	3.05	4.55
Debt to Equity	15.25	1.26
Shareholders' Equity	$ 90,949	$ 933,983

Diagnostic/Retrieval Systems, Inc.

8 Wright Way
Oakland, New Jersey 07436
(201) 337-3800
FAX: (201) 337-3439

Officers: Leonard Newman, chairman of the board, chief executive officer & secretary; David E. Gross, president & chief operating officer; Carl P. Boecher, sr. v.p.-business development; Jackson Kemper, Jr., v.p.-Washington operations; Mark S. Newman, exec. v.p., chief financial officer & treasurer; Allen P. Tucker, v.p. & pres.-Precision Echo, Inc.; Lewis F. Ozimek, v.p.-ship programs; Jack R. Williams, v.p.-research and technology; John V. Giordano, sr. v.p.-operations; J. Patrick Rau, controller; John C. Dale, v.p.-display programs; Richard Ross, v.p. & president-Photronics Corp.; Patricia M. Williamson, asst v.p.-corporate communications, David M. Orth, v.p.-marketing.

Directors: Leonard Newman, chairman; David E. Gross, Theodore Cohn, Jack Rachleff, Harold Rapaport, Mark N. Kaplan, Mark S. Newman.

Areas of Work: The company designs, develops, manufactures and markets special-purpose computer and display systems, high-density digital recording systems, as well as trainer and optical systems for the armed forces. The company's high-technology defense electronics products have a variety of military and industrial applications. The Company designs, develops, manufactures and markets special-purpose computer and display systems, high-density digital recording systems, and trainer systems and optical systems and assemblies for the armed forces. The Company's high-technology defense electronics products have a variety of military and industrial applications.

Divisions and Subsidiaries:

Precision Echo, Inc.
3105 Patrick Henry Drive
Santa Clara, California 95054

Designs and manufactures military and industrial quality magnetic recording devices and compact ruggedized tape recorders employed in antisubmarine warfare, reconnaissance aircraft and for intelligence purposes.

Diagnostic/Retrieval Systems, Inc.
Washington Operations
1215 S. Jefferson Davis Highway
Suite 1004
Arlington, Virginia 22202

Photronics Corp.
270 Motor Parkway
P.O. Box 11368
Hauppauge, New York 11788

Designs and manufactures optical systems and assemblies used in military weapon fire control, system boresighting and optical test equipment.

Transfer Agent(s):

The Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): American

Ticker Symbol: DRS-A, DRS-B

Number of Employees:

1990	430	1987	498
1989	549	1986	395
1988	489		

Plant Footage:

1990	194,000 sq. ft.	1987	120,000
1989	194,000	1986	87,000
1988	120,000		

Sales & Earnings

	Revenues	Net Income +
1990	$ 57,468,000	$ (8,393,000)
1989	70,357,000	3,995,000
1988	61,499,000	3,714,000
1987	53,259,000	3,434,000
1986	35,979,000	1,033,000

	No. of Com. Shares #	Earn. per Share + #
1990	5,617,000	$ —
1989	5,637,000	0.71
1988	5,648,000	0.66
1987	5,628,000	0.61
1986	5,625,324	0.18

(Loss)
+ Including extraordinary gain of $187,000 ($0.03 per share) in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 26,962,000	$ 4.80
1989	35,650,000	6.32
1988	31,655,000	5.62
1987	27,915,000	4.96
1986	24,442,000	4.34

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Mar. 31	1990	1989
Revenues	$ 57,468,000	$ 70,357,000
Costs and expenses	68,274,000	62,633,000
Interest expense	2,591,000	2,403,000
Other income	(1,407,000)	(1,653,000)
Inc. (loss) bef. taxes	$ (11,990,000)	$ 6,974,000
Income taxes (credit)	(3,597,000)	2,979,000
Net Income (Loss)	$ (8,393,000)	$ 3,995,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,153,000 in 1990 and $3,443,000 in 1989.

Assets

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 13,650,000	$ 6,027,000
Market. securities	57,000	6,491,000
Accts. receiv., net	14,336,000	19,158,000
*Inventories	9,372,000	16,276,000
Other curr. assets	713,000	1,074,000
Current Assets	$ 38,128,000	$ 49,026,000
#Fixed assets	16,596,000	17,601,000
Intangibles	9,337,000	9,665,000
Other assets	2,247,000	2,092,000
Total Assets	$ 66,308,000	$ 78,384,000

Liabilities

Long-term debt, curr.	$ 281,000	$ 368,000
Accts. payable & accruals	11,077,000	8,503,000
Income taxes	333,000	5,133,000
Deferred revenues	429,000	1,005,000
Curr. Liabilities	$ 12,120,000	$ 15,009,000
Long-term debt	24,376,000	26,812,000
Deferred inc. taxes	2,099,000	152,000
Other liabilities	751,000	761,000
+ Common stock:		
Class A	37,000	37,000
Class B	21,000	21,000
Add. paid-in capital	12,913,000	12,913,000
Retained earnings	15,217,000	23,610,000
Treasury stock	(1,129,000)	(761,000)
Unamort. restricted stock comp.	(97,000)	(170,000)
Total Liabilities & Shareholders' Equity	$ 66,308,000	$ 78,384,000

* At actual cost, not in excess of estimated net realizable value.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.91
%Net Income to Sales	—	5.68
%Net Income to Equity	—	11.21
Debt to Equity	0.91	0.78
Working Capital	$ 26,008,000	$ 34,017,000
Current Ratio	3.15	3.27
Shareholders' Equity	$ 26,962,000	$ 35,650,000

Di-An Controls, Inc.

16 Jonathan Drive
Brockton, Massachusetts 02401
(508) 559-8000
FAX: (508) 559-8658

Officers: Robert D. Kodis, president & treasurer; James B. Marcus, vice president, asst. treasurer & clerk..

Directors: Robert D. Kodis, James B. Marcus, Peter Segel.

Areas of Work: Manufactures, sells, and services printer products, computer work stations, and the Movie Master System. These products are used for real-time on-line issuing of tickets, tags and labels in the fields of transportation, entertainment, sports, wagering, manufacturing, and financial exchanges.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DICC (NASDAQ)

Sales & Earnings

	Net Sales ‡	Net Income †
1989	$ 451,000	$ (788,000)
1988	546,000	(593,000)
1987	817,000	1,246,000
1986	1,618,000	(588,000)
1985	2,439,000	(630,000)

	No. of Com. Shares	Earn. per Share #†
1989	826,405	$ —
1988	826,405	—
1987	826,405	1.51
1986	826,405	—
1985	826,405	—

(Loss)
‡ Including service revenues.
† Including extraordinary gain of $470,336 ($0.57 per share).
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (31,588)	$ —
1988	756,267	0.92
1987	1,349,184	1.63
1986	103,058	0.12
1985	661,127	0.80

(Deficiency)

Income Account *

Year ended Dec. 31	1989	1988
Net sales & serv. revenues	$ 427,355	$ 434,267
Other income	23,375	112,165
Total income	$ 450,730	$ 546,432
Cost of sales & services	765,621	600,620
Product develop. costs	95,189	88,116
Expenses	372,984	449,996
Interest expense	4,791	617
Net Loss	$ (787,855)	$ (592,917)

* Included in Costs and Expenses, Depreciation: $18,944 in 1989 and $5,966 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cert. of deposit	$ —	$ 721,096
Accts. receiv., net	18,632	79,963
*Inventories	113,223	132,417
Prepaid expenses	15,764	—
Deposits	17,461	8,323
Current Assets	$ 165,080	$ 941,799
Cash value of life insur.	21,245	18,824
#Fixed assets	66,357	29,057
Total Assets	$ 252,682	$ 989,680

Liabilities

Note payable	$ —	$ 60,000
Note pay.-princ. shareholder	174,000	—
Cash overdraft	11,056	—
Accts. payable	18,855	82,536
Accruals	53,442	51,721
Accrued vacation pay	15,579	13,781
Accrued payroll	9,709	10,476
Customer deposits	1,629	14,899
Curr. Liabilities	$ 284,270	$ 233,413
+Common stock	82,641	82,641
Add. paid-in capital	1,124,451	1,124,451
Retained earnings (deficit)	(1,238,680)	(450,825)
Total Liabilities & Shareholders' Equity	$ 252,682	$ 989,680

* At lower of est. cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Debt to Equity	—	0.08
Working Capital	—	$ 708,386
Current Ratio	—	4.03
Shareholders' Equity (Deficiency)	$ (31,588)	$ 756,267

Diebold, Incorporated

818 Mulberry Road S.E.
P.O. Box 8230
Canton, Ohio 44707-3256
(216) 489-4000
FAX: (216) 497-4450

Officers: Robert W. Mahoney, chairman & chief exec. officer; Robert P. Barone, president & chief operating officer; Harry E. Parr, Jr., sr. v.p.-finance, treasurer and chief adm. officer; William T. Blair, v.p.-customer services, Frank G. D'Angelo, v.p.-software development & information systems; Charles P. Harris, v.p.-U.S. sales; Edgar N. Petersen, v.p.-international sales; Charles B. Scheurer, v.p.-human resources & corp. services; Harry O. Seitzinger, v.p., controller & asst. treasurer; Warren W. Dettinger, v.p. & general counsel; Alben W. Warf, v.p.-engineering & manufacturing; Charee Francis-Vogelsang, v.p. & secretary; Robert J. Warren, asst. treasurer; Bartholomew J. Frazzitta, v.p.-marketing & product management.

Directors: Louis V. Bockius, III, Daniel T. Carroll, Harry E. Parr, Jr., Donald R. Gant, Raymond Koontz, Frank D. Robinson, Robert W. Mahoney, William F. Massy, W. R. Timken, Jr., Robert P. Barone.

Areas of Work: Designs, manufactures, sells, installs, and services a broad line of automated transaction systems and security equipment used in financial service applications in financial, retail, transportation, government, petroleum and other industry groups.

Divisions:

Security Products
Electronics Products
Retail Products
Software Development & Systems Services
Customer Services

Transfer Agent(s):

Ameritrust Company, N.A.
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101-1477

Stock Exchange(s): New York

Ticker Symbol: DBD

Number of Employees:

1989	4,183	1986	5,320
1988	4,560	1985	5,229
1987	4,878		

Plant Footage:

1989	N.A.	1986	1,559,720
1988	1,586,220 sq. ft.	1985	1,559,720
1987	1,586,220		

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 468,883,000	$ 36,230,000
1988	450,571,000	35,824,000
1987	439,063,000	35,768,000
1986	417,369,000	34,905,000
1985	411,935,000	30,392,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	13,193,000	$ 2.75
1988	13,176,000	2.72
1987	13,162,000	2.72
1986	13,130,000	2.66
1985	13,116,000	2.32

‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 379,532,000	$ 28.75
1988	360,791,000	27.40
1987	341,125,000	25.92
1986	320,202,000	24.40
1985	300,129,000	22.89

‡ Adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1989	1988
Net sales:		
Products	$ 257,502,000	$ 242,759,000
Services	211,381,000	207,812,000
Total	$ 468,883,000	$ 450,571,000
Cost of sales	320,972,000	311,444,000
Expenses	102,289,000	102,548,000
Interest income	(12,969,000)	(9,723,000)
Interest expense	530,000	586,000
Loss on dispos. of assets	1,483,000	490,000
Other charges	2,715,000	1,356,000
Income before taxes	$ 53,863,000	$ 43,870,000
Income taxes	17,633,000	12,530,000
Cum. effect of acct. change	—	(4,484,000)
Net Income	$ 36,230,000	$ 35,824,000

* Included in Costs and Expenses, Depreciation and Amortization: $11,892,000 in 1989 and $10,334,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 36,509,000	$ 42,453,000
Short-term invest.	43,931,000	49,179,000
Accts. receiv., net	117,280,000	109,041,000
*Inventories	76,757,000	85,423,000
Prepaid expenses	14,861,000	12,467,000
Current Assets	$ 289,338,000	$ 298,563,000
Investments	116,995,000	73,321,000
# Fixed assets	55,930,000	59,552,000
Intangibles	27,386,000	23,301,000
Total Assets	$ 489,649,000	$ 454,737,000

Liabilities

Long-term debt, curr.	$ 1,250,000	$ 1,000,000
Accts. payable	18,228,000	16,783,000
Dividends payable	4,956,000	4,608,000
Income taxes	7,935,000	6,214,000
Accrued payroll	4,898,000	3,491,000
Other accruals	21,341,000	17,909,000
Deferred income taxes	248,000	677,000
Deferred income	24,340,000	18,212,000
Other curr. liab.	6,795,000	5,912,000
Curr. Liabilities	$ 89,991,000	$ 74,806,000
Long-term debt	4,500,000	5,000,000
Pensions	2,915,000	—
Deferred inc. taxes	12,711,000	14,140,000
+Common stock	16,517,000	16,471,000
Add. paid-in capital	73,604,000	72,173,000
Retained earnings	290,864,000	273,453,000
For. curr. trans. adj.	(375,000)	(691,000)
Treasury stock	(615,000)	(615,000)
Unearned compensation	(463,000)	—
Total Liabilities & Shareholders' Equity	$ 489,649,000	$ 454,737,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	11.49	9.74
% Net Income to Sales	7.73	7.95
Net Income to Equity	9.55	9.93
Sales to Inventories	6.11	5.27
Debt to Equity	0.02	0.02
Working Capital	$ 199,347,000	$ 223,757,000
Current Ratio	3.22	3.99
Shareholders' Equity	$ 379,532,000	$ 360,791,000

Digital Communications Associates, Inc.

1000 Alderman Drive
Alpharetta, Georgia 30201-4199
(404) 442-4000
FAX: (404) 442-4361

Officers: Bertil D. Nordin, chairman & chief exec. officer; Charles G. Betty, president & chief operating officer; David A. Brookmire, vice president; Craig J. Huffaker, exec. v.p., chief financial officer, secretary & treasurer; Paul A. Rodwick, vice president; John J. Douglas, vice president; H. David Miller, vice president.

Directors: Bruce K. Anderson, Frank A. Bonsal, Jr., Jack F. Glenn, O. Gene Gabbard, Craig J. Huffaker, James L. Mann, Bertil D. Nordin.

Areas of Work: Designs, manufactures and markets data communications equipment and systems that allow the transfer of data between terminals and computers or between personal computers and mainframes, whether in remote or local settings.

Subsidiaries:

DCA International, Inc.
Foreign Sales Corporation (FSC).

DCA Investment Corporation
Investment transactions.

Digital Communcations Associates (Puerto Rico) Corp.
Manufacturing.

Forte Communications, Inc.
2205 Fortune Drive
San Jose, California 95131
(408) 432-9111
Manufactures and markets electronic data communication equipment.

Cohesive Network Corporation
150 Knowles Drive
Los Gatos, California 95030
(408) 370-4100
Manufactures and markets electronic data communication equipment.

Microstuf, Inc.
Develops and markets computer software.

Fox Research, Inc.
Develops, manufactures and markets local area networks for personal computers.

Transfer Agent(s):

Citizens and Southern Trust Company
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): New York

Ticker Symbol: DCA

Sales & Earnings

	Net Sales	Net Income †
1989	$ 208,226,000	$ 17,710,000
1988	227,480,000	42,216,000
1987	181,399,000	28,433,000
1986	150,705,000	14,923,000
1985	107,679,000	8,346,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	14,878,000	$ 1.19
1988	15,252,000	2.77
1987	14,913,000	1.91
1986	13,530,000	1.10
1985	11,885,000	0.70

† Including extraordinary gain of $1,400,000 ($0.09 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 218,709,000	$ 14.70
1988	203,316,000	13.33
1987	157,296,000	10.55
1986	125,154,000	9.25
1985	59,781,000	5.03

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 208,225,974	$ 227,479,568
Cost of sales	74,877,667	76,808,923
Expenses	106,939,393	103,051,498
R & D projects acquired	12,578,932	—
Interest income	(11,918,285)	(10,124,233)
Income before taxes	$ 25,748,267	$ 57,743,380
Income taxes	8,038,000	15,527,000
Net Income	$ 17,710,267	$ 42,216,380

* Included in Costs and Expenses, Depreciation and Amortization: $11,159,186 in 1989 and $9,224,516 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 166,318,491	$ 136,658,121
Accts. receiv., net	37,040,221	39,937,721
*Inventories	16,906,262	22,801,923
Prepaid expenses	4,644,790	6,755,957
Current Assets	$ 224,909,764	$ 206,153,722
Investments	—	9,091,791
#Fixed assets	27,392,063	31,693,054
Other assets	8,362,201	5,079,438
Total Assets	$ 260,664,028	$ 252,018,005

Liabilities

	1989	1988
Accts. payable	$ 7,792,672	$ 9,741,450
Accrued compensation	12,126,225	15,646,278
Income taxes	15,410,834	16,125,978
Other accruals	6,625,651	7,187,831
Curr. Liabilities	$ 41,955,382	$ 48,701,537
+Common stock	1,470,170	1,468,481
Add. paid-in capital	99,915,183	98,220,774
Retained earnings	120,156,961	103,627,213
Treasury stock	(2,833,668)	—
Total Liabilities & Shareholders' Equity	$ 260,664,028	$ 252,018,005

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	12.37	25.38
%Net Income to Sales	8.51	18.56
%Net Income to Equity	8.10	20.76
Sales to Inventories	12.32	9.98
Working Capital	$ 182,954,382	$ 157,452,185
Current Ratio	5.36	4.23
Shareholders' Equity	$ 218,708,646	$ 203,316,468

Digital Equipment Corporation

146 Main Street
Maynard, Massachusetts 01754
(508) 897-5111
FAX: (508) 493-7633

Officers: Kenneth H. Olsen, president; Winston R. Hindle, Jr., sr. v.p.-corporate operations; James M. Osterhoff, v.p.-finance; George A. Chamberlain, III, v.p-engineering, manufacturing & marketing finance; Henry J. Crouse, v.p.-strategic relations; James G. Cudmore, v.p.-product operations; William R. Demmer, v.p.-Mid-Range Systems Business Group; Pier-Carlo Falotti, v.p. & president & chief exec. officer-Europe; William C. Hanson, v.p.-manufacturing operations; William R. Johnson, Jr., v.p.-distributed systems; John J. Shields, sr. v.p.-Sales, Services Marketing & International; William J. Heffner, v.p.-open software/business software; Jack MacKeen, v.p.-telecommunications industry marketing; William D. Strecker, v.p.-project strategy & architecture; Bruce J. Ryan, v.p. & controller; Albert E. Mullin, Jr., v.p.-corp. relations; Richard Poulsen, v.p.-general int'l area; F. Grant Saviers, v.p.-storage systems; Godfrey S. Shingles, v.p., managing director, United Kingdom Region; John F. Smith, sr. v.p.-engineering, manufacturing & product marketing; John L. Alexanderson, v.p.-U.S. direct marketing; Don K. Busiek, v.p.-systems integration & professional services; Samuel H. Fuller, v.p.-research; David W. Grainger, v.p.-U.S. sales & service; Rose Ann Giordano, v.p.-public sector/consultant marketing; Robert Hughes, v.p.-U.S. sales & marketing; Peter J. Smith, v.p.-product marketing; Harvey L. Weiss, v.p.-Government System Group; Richard H. Yen, v.p.-GIA manufacturing & engineering; Ilene B. Jacobs, v.p. & treasurer; Robert M. Glorioso, v.p.-high performance systems; Donato A. Infante, Jr., v.p.-manufacturing information & technology; Edward B. McDonough, v.p.-GIA operations; Kevin C. Melia, v.p.-manufacturing materials & corp. distribution; Robert B. Palmer, v.p. & group mgr.-Semiconductor Operation; John L. Sims, v.p.-strategic resources; David L. Stone, v.p.-int'l engineering & strategic resources; Donald P. Zereski, v.p.-customer services.

Directors: Vernon R. Alden, Arnaud de Vitry, Kenneth H. Olsen, Dorothy E. Rowe, William H. McLean, Philip Caldwell, Robert R. Everett.

Areas of Work: Designs, manufactures, sells and services computers and associated peripheral equipment, and related software and supplies. The Company's products are used worldwide in a variety of applications and programs, including scientific research and computation, communications, education, data analysis, industrial control systems, time sharing systems, commercial data processing systems, word processing, personal computing, health care, instrumentation, engineering and simulation.

Subsidiaries:

Digital Equipment, S.A. de C.V.
Apartado Postal 12-1009
Mexico 12, D.F.

Digital Equipment Corporation Oy
Soukantie 14
SF-02360 Sourra, Finland

Digital Equipment Comercio e Industria, Ltda.
Avenida Augusto Severo, 156-B
Lapa ZC06
20,000 Rio de Janeiro-Guanabara, Brazil

Computer Insurance Company Limited
Old Colony Insurance Ltd.
Reid House, P.O. Box 1826
Hamilton, 5-24, Bermuda

Digital Computer Hong Kong Limited
71 Catchick Street
13th floor, Green Island House
Kennedy Town, Hong Kong

Digital Computer Taiwan Limited
Taiwan, Republic of China

Digital Equipment Ireland Limited
Republic of Ireland

Digital Equipment Scotland Limited
Shiel House, Craigshill
G-B Livingston
West Lothian, Scotland

Digital Equipment B.V.
Digital Equipment International B.V.
KAAP Horndreef 38
P.O. Box 9064
Utrecht, Holland

Digital Equipment N.V.S.A.
108 Rue D'Arlon
B-1040 Bruxelles, Belgium

Digital Incorporated
Digital International Sales Corporation
DEC Ltd.
7 Habikuk Street
Tel Aviv, Israel

Digital Equipment Corporation International (Europe)
12 Avenue des Morgines
Case Postale 176
CH1213 Petit-Lancy 1, Geneva, Switzerland

Digital Equipment Corp. A/S
Tonheimsveien 47
N-Oslo 5, Norway

Digital Equipment Corporation Ges. m.b.H
Mariahilferstrasse 136
A-1150 Wien 15, Austria

Digital Equipment New Zealand, Limited
Suite 18, Hilton House
430 Queen Street, P.O. Box 2471
Auckland, New Zealand

Digital Equipment Taiwan Limited
13-2 Nan Hsin Li, Tachi
Taoyuan, Taiwan, Republic of China

Digital Equipment Corporation ApS
Hellerupvej 66
DK-2900 Helleup, Denmark

Digital Equipment of Canada Ltd.
100 Herzberg Road
Kanata, Ontario K2K 2A6 Canada
(613) 592-5111

Digital Equipment International GmbH
Digital Equipment GmbH
D-8000 Munich 40
Wallensteinplatz 2, West Germany

Digital Equipment Australia Pty. Ltd.
123-125 Willoughby Road
P.O. Box 491-Crows Nest
New South Wales 2065, Australia

Digital Equipment Co. Limited
Fountain House, Butts Centre
Reading Berkshire RG 17 QN
United Kingdom

Digital Equipment France S.A.R.L.
2 Place Gustave Eiffel
Cidex L225
18, Rue Saarinen 94 533 Rungis, France

Digital Equipment AB
Englundsvaagen 7
S-17141 Solna, Sweden

Digital Equipment Corporation de Puerto Rico
P.O. Box 106
San German 00753 Puerto Rico
(809) 892-1946

Digital Equipment S.p.A.
Corso Garibaldi 49
1-20121 Milano, Italy

Digital Equipment Corp. S.A.
20. Quai Ernest Ansermet
Boite Postale 23
CH-1211 Geneva 8, Switzerland

Digital Equipment Corporation International
Maynard, Massachusetts

Digital Equipment Panama, Inc.
Digital Equipment Trinidad, Inc.
Digital Equipment Services, Inc.
Digital Growth, Inc.
Digital Realty Limited
Digital Equipmenht Singapore (PTE) Limited

Digital Equipment Corporation

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Boston*, Philadelphia*, Midwest*, Pacific, Cincinnati*, Luxembourg*, Zurich. Geneva, Basel, Frankfurt, Munich, Berlin *Unlisted trading privileges.

Ticker Symbol: DEC

Number of Employees:

1989	125,800	1986	94,700
1988	121,500	1985	89,000
1987	110,500		

Plant Footage:

1989	42,300,000 sq. ft.	1986	32,300,000
1988	N.A.	1985	29,300,000
1987	34,000,000		

N.A.-Not Available

Sales & Earnings

	Revenues # (000's)	Net Income (000's)
1989	$ 12,741,956	$ 1,072,610
1988	11,475,446	1,305,633
1987	9,389,444	1,137,435
1986	7,590,357	617,420
1985	6,686,316	446,682

	No. of Com. Shares ‡	Earn. per Share ‡
1989	127,008,000	$ 8.45
1989	131,923,000	9.90
1987	133,305,000	8.53
1986	130,792,000	4.81
1985	124,112,000	3.71

# Includes services and other revenues.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 8,035,673	$ 66.12
1988	7,510,374	59.47
1987	6,293,471	49.87
1986	5,727,800	44.54
1985	4,554,599	38.43

‡ Adjusted to relfect stock split.

Income Account *
(000's)

Year ended	7/1/89	7/2/88
Net sales	$ 8,190,308	$ 7,541,241
Other income	4,551,648	3,934,205
Total revenues	$ 12,741,956	$ 11,475,446
Cost of sales	3,468,307	3,042,172
Service expense	2,773,563	2,426,176
Expenses	5,163,997	4,372,098
Interest expense	39,435	37,820
Interest income	(124,021)	(143,665)
Income before taxes	$ 1,420,675	$ 1,740,845
Income taxes	348,065	435,212
Net Income	$ 1,072,610	$ 1,305,633

* Included in Costs and Expenses, Depreciation: $686,738,000 in 1989 and $527,141,000 in 1988.

Assets
(000's)

As of	7/1/89	7/2/88
Cash & temp. cash invest.	$ 1,655,264	$ 2,163,580
Accts. receiv., net	2,965,408	2,592,160
*Inventories	1,638,001	1,575,059
Prepaid expenses	255,195	274,160
Deferred taxes	381,140	324,962
Current Assets	$ 6,895,008	$ 6,929,921
#Fixed assets	3,645,896	3,095,025
Other assets	126,875	86,610
Total Assets	$ 10,667,779	$ 10,111,556

Liabilities
(000's)

Bank loans & long-term debt, curr.	$ 29,755	$ 154,670
Accts. payable	553,818	523,173
Income taxes	445,977	504,195
Accrued payroll	300,393	257,663
Def. rev. & advances	833,831	727,984
Other curr. liabilities	230,265	246,419
Curr. Liabilities	$ 2,394,039	$ 2,414,104
Long-term debt	136,019	123,924
Deferred inc. taxes	102,048	63,154
+Common stock	130,008	130,008
Add. paid-in capital	2,469,711	2,424,391
Retained earnings	6,366,418	5,463,050
Treasury stock	(930,464)	(507,075)
Total Liabilities & Shareholders' Equity	$ 10,667,779	$ 10,111,556

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Revenues	11.15	15.17
-%Net Income to Revenues	8.42	11.38
%Net Income to Equity	13.35	17.38
Debt to Equity	0.02	0.04
Working Capital	$ 4,500,969,000	$ 4,515,817,000
Current Ratio	2.88	2.87
Shareholders' Equity	$ 8,035,673,000	$ 7,510,374,000

Diodes Incorporated

9957 Canoga Avenue
Chatsworth, California 91311-9934
(818) 882-4920
FAX: (818) 341-1736

Officers: David M. Lloyd, chairman of the board, president & chief exec. officer; Edward Y. Gerding, v.p.-engineering; Alan B. Lees, V.p. secretary & general counsel; Lily Yu, treasurer & chief financial officer.

Directors: David Lloyd, chairman; Alan B. Lees, Harold Harrigan, Michael A. Rosenberg, Maurice L. Muehle.

Areas of Work: Manufactures and markets silicon rectifier products, including semiconductor wafers, rectifiers, zener diodes, switching and superfast diodes and rectifier assemblies. q

Subsidiaries:

NAE, Inc.
69 Bennett Street
Lynn, Massachusetts
Manufactures Schottky and other semiconductor wafers and assembles associated rectifier devices.

Diodes Taiwan Company Ltd.
Taipei, Taiwan, R.O.C.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: DIO

Number of Employees:

1989	59	1987	71
1988	N.A.	1986	78

Plant Footage:

1989	70,000	1987	56,600
1988	62,000	1986	56,600

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 13,795,277	$ (2,193,151)
1988	15,169,694	621,326
1987	12,287,409	(631,901)
1986	11,149,310	(415,659)
1985	12,901,961	982,110

	No. of Com. Shares	Earn. per Shares ‡ +
1989	3,737,193	$ —
1988	3,848,570	0.25
1987	2,119,129	—
1986	2,037,159	—
1985	1,937,891	0.46

(Loss)
‡ Including extraordinary gain of $239,239 ($0.10 per share) in 1988.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 4,105,745	$ 1.10
1988	7,058,010	1.83
1987	3,951,729	1.86
1986	4,522,342	2.22
1985	4,590,688	2.37

Income Account *

Year ended April 30	1989	1988
Net sales	$ 13,795,277	$ 15,169,694
Cost of sales	10,460,265	10,482,475
Expenses	3,567,722	3,890,589
Restruc. charge	2 580,066	—
Interest expense	315,491	242,452
Interest income	(68,426)	(44,309)
Other income	(146,690)	(71,684)
Inc. (loss) bef. taxes	$ (2,913,151)	$ 670,171

		1989		1988
Income taxes		—		288,084
Net Income (Loss)	$	(2,913,151)	$	382,087
Extraord. gain		—		239,239
Net Income (Loss) & extraord. gain	$	(2,913,151)	$	621,326

• Included in Costs and Expenses, Depreciation and Amortization: $304,584 in 1989 and $289,047 in 1988.

Assets

As of April 30		1989		1988
Cash	$	198,423	$	898,465
Accts. receiv., net		2,167,436		2,436,267
*Inventories		4,173,592		6,371,855
Prepaid expenses		84,846		142,242
Current Assets	$	6,624,297	$	9,848,829
#Fixed assets		1,776,812		1,419,273
Deferred inc. taxes		159,802		77,885
Other assets		100,969		122,870
Total Assets	$	8,661,880	$	11,468,857

Liabilities

		1989		1988
Notes payable	$	950,000	$	950,000
Long-term debt, curr.		466,962		489,271
Accts. payable		647,580		1,243,178
Accruals		694,493		437,399
Income taxes pay.		—		83,891
Curr. Liabilities	$	2,759,035	$	3,203,739
Long-term oblig.		1,552,673		1,046,712
Deferred comp. payable		244,427		160,396
+ Common stock		2,678,392		2,677,724
Add. paid-in capital		3,186,099		3,185,141
Retained earnings (deficit)		(227,443)		2,685,708
Treasury stock		(781,303)		(550,563)
Notes & stock subscrip.		(750,000)		(940,000)
Total Liabilities & Shareholders' Equity	$	8,661,880	$	11,468,857

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.66 2/3 par value.

Statistical Summary

		1989		1988
%Income bef. Taxes to Sales		—		4.42
%Net Income to Sales		—		2.52
%Net Income to Equity		—		5.41
Sales to Inventories		3.31		2.38
Debt to Equity		0.72		0.35
Working Capital	$	3,865,262	$	6,645,090
Current Ratio		2.40		3.07
Shareholders' Equity	$	4,105,745	$	7,058,010

Dionics, Inc.

65 Rushmore Street
Westbury, New York 11590
(516) 997-7474
FAX: (516) 997-7479

Officers: Bernard L. Kravitz, president; Sherman Gross, v.p., secretary & treasurer.

Directors: Bernard L. Kravitz, Sherman Gross, Solomon Berkowitz.

Areas of Work: Engaged in the development, manufacture and marketing of silicon semiconductor electronic products -- both individual, discreet components and multi-component integrated circuits.

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees:

Year	Employees	Year	Employees
1989	45	1986	62
1988	45	1985	58
1987	51		

Plant Footage:

Year	Footage	Year	Footage
1989	20,000 sq. ft.	1988	20,000

Sales & Earnings

		Net Sales		Net Income
1989	$	2,405,900	$	(465,900)
1988		1,671,500		(856,900)
1987		2,773,100		(360,100)
1986		2,807,400		127,100
1985		3,042,900		168,100

	No. of Com. Shares †		Earn. per Share +
1989	3,333,678	$	—
1988	3,333,578		—
1987	3,333,278		—
1986	3,321,658		0.04
1985	3,302,774		0.05

(Loss)
† Adjusted to reflect stock split.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	2-for-1

Common Stock Equity

		Total Equity		Equity Per Share +
1989	$	125,600	$	0.04
1988		566,500		0.17
1987		1,423,400		0.43
1986		1,821,900		0.55
1985		1,674,500		0.51

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31		1989		1988
Net sales	$	2,405,900	$	1,671,500
Cost of sales		1,831,200		1,948,000
Expenses		880,800		1,011,300
Interest expense		164,600		68,700
Other income		(4,800)		(14,500)
Insurance proceeds		—		(372,100)
Loss before taxes	$	(465,900)	$	(969,900)
Tax credit		—		(113,000)
Net Loss	$	(465,900)	$	(856,900)

• Included in Costs, and Expenses, Depreciation and Amortization: $196,000 in 1989 and $195,100 in 1988.

Assets

As of Dec. 31		1989		1988
Cash	$	109,000	$	107,800
Accts. receiv., net		321,700		186,100
*Inventories		230,500		385,900
Insurance claim		300,000		—
Other curr. assets		22,400		93,900
Current Assets	$	983,600	$	773,700
# Fixed assets		995,600		1,168,500
Insurance claim		50,000		—
Other assets		164,000		92,100
Total Assets	$	2,193,200	$	2,034,300

Liabilities

		1989		1988
Note payable	$	150,000	$	—
Long-term debt, curr.		101,600		148,000
Accts. payable		226,400		107,400
Accruals		225,500		181,500
Curr. Liabilities	$	703,500	$	436,900
Long-term debt		1,115,600		902,600
Deferred comp.		198,500		128,300
Deferred insur. proceeds		50,000		—
+ Common stock		36,400		36,400
Add. paid-in capital		1,522,800		1,522,800
Retained earnings (deficit)		(1,170,200)		(704,300)
Treasury stock		(240,100)		(240,100)
Note receivable		(23,300)		(48,300)
Total Liabilities & Shareholders' Equity	$	2,193,200	$	2,034,300

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

		1989		1988
Sales to Inventories		10.44		4.33
Debt to Equity		10.89		1.85
Working Capital	$	280,100	$	336,800
Current Ratio		1.40		1.77
Shareholders' Equity	$	125,600	$	566,500

Drexler Technology Corporation

2557 Charleston Road
Mountain View, California 94043
(415) 969-7277
FAX: (415) 969-6121

Officers: Jerome Drexler, chairman of the board & president; Charles W. Keller, vice president; Richard M. Haddock, vice president; Steven G. Larson, v.p.-finance & treasurer.

Directors: Jerome Drexler, chairman; Arthur H. Hausman, Eugene Kleiner, William E. McKenna, Joseph B. Arnold.

Areas of Work: Manufactures emulsion photoplates for integrated circuit manufacture; and optical memory cards for data storage.

Divisions and Subsidiaries:

Precision Photoglass, Inc.
2557 Charleston Road
Mountain View, California 94043
(415) 961-0700

LaserCard Systems Corporation
2644 Bayshore Parkway
Mountain View, California 94043
(415) 969-4428

Transfer Agent(s):

Bankers Trust Company of California, N.A.
4 Albany Street, 2nd Floor
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRXR (NASDAQ)

Number of Employees:

Year	Employees	Year	Employees
1990	60	1987	206
1989	70	1986	201
1988	69		

Plant Footage:

Year	Footage	Year	Footage
1990	196,000 sq. ft.	1987	120,000
1989	104,000	1986	120,000
1988	104,000		

Drexler Technology Corporation

Sales & Earnings

	Revenues +	Net Income
1990	$ 1,729,000	$ (6,935,000)
1989	16,215,000	3,412,000
1988*	3,280,000	(9,201,000)
1987	6,717,000	(5,724,000)
1986	6,219,000	(3,375,000)

	No. of Com. Shares #	Earn. per Share #
1990	6,890,000	$ —
1989	6,831,000	0.50
1988*	6,626,000	—
1987	6,498,000	—
1986	6,370,000	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding during the year adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 8,997,000	$ 1.31
1989	15,499,000	2.27
1988	11,213,000	1.69
1987	19,054,000	2.93
1986	23,396,000	3.67

# Based on the weighted average number of shares outstanding during the year to reflect stock split.

Income Account *

Year ended Mar. 31	1990	1989
Revenues:		
Prod. sales	$ 1,729,000	$ 2,159,000
License fees	—	14,056,000
Total revenues	$ 1,729,000	$ 16,215,000
Cost of revenues	1,355,000	1,785,000
Expenses	7,601,000	8,530,000
Interest income	(532,000)	(231,000)
Interest expense	240,000	348,000
Inc. (loss) bef. taxes	$ (6,935,000)	$ 5,783,000
Income taxes	—	1,530,000
Inc. (loss) - cont. oper	$ (6,935,000)	$ 4,253,000
Loss - discont. oper.	—	(841,000)
Net Income (Loss)	$ (6,935,000)	$ 3,412,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,208,000 in 1990 and $2,306,000 in 1989.

Assets

As of Mar. 31	1990	1989
Cash & short-term invest.	$ 2,268,000	$ 9,217,000
Accts. receiv, net	241,000	375,000
*Inventories	672,000	658,000
Other curr. assets	158,000	125,000
Current Assets	$ 3,339,000	$ 10,375,000
#Fixed assets	7,289,000	9,031,000
Other assets	1,073,000	963,000
Total Assets	$ 11,701,000	$ 20,369,000

Liabilities

Long-term oblig., curr.	$ 1,043,000	$ 1,001,000
Accts. payable	233,000	353,000
Accrued payroll	238,000	650,000
Other accruals	410,000	559,000
Inc. taxes payable	—	123,000
Net liab.-discont. oper.	313,000	674,000
Current Liabilities	$ 2,237,000	$ 3,360,000
Long-term oblig.	467,000	1,510,000
+Common stock	69,000	68,000
Add. paid-in capital	21,788,000	21,356,000
Retained earnings (deficit)	(12,860,000)	(5,925,000)
Total Liabilities & Shareholders' Equity	$ 11,701,000	$ 20,369,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	—	0.22
Debt to Equity	0.17	0.16
Working Capital	$ 1,102,000	$ 7,015,000
Current Ratio	1.49	3.09
Shareholders' Equity	$ 8,997,000	$ 15,499,000

DSC Communications Corporation

1000 Colt Road
Plano, Texas 75075-5813
(214) 519-3000
FAX: (214) 519-3105

Officers: James L. Donald, chairman, president & chief operating officer; Gunnar J. Korpinen, sr. v.p.; David M. Holland, sr. v.p.; Gerald F. Montry, sr. v.p. & chief financial officer; Christian J. Ornes, v.p. & treasurer; William R. Tempest, v.p., secretary & general counsel; Kenneth R. Vines, v.p. & controller; J. Douglas Bailey, vice president; Gerald G. Carlton, v.p.; John W. Bischoff, v.p.; Gerald G. Carlton, v.p.; Frank J. Perpiglia, v.p..

Directors: James L. Donald, Jr., Frank J. Cummiskey, Clement M. Brown, Robert S. Folsom, Gunnar J. Korpinen, James P. Leake, Gerald F. Montry, James L. Fischer, L. Mark Newman, James M. Nolan, Jim A. Watson.

Areas of Work: Designs, manufactures and markets digital switching, transmission and private network system products for the worldwide telecommunications market place.

Transfer Agent(s):

NCNB Texas National Bank
P.O. Box 830345
Dallas, Texas 75283-0345

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DIGI (NASDAQ)

Number of Employees:

1989	3,317	1986	2,365
1988	2,766	1985	2,450
1987	2,543		

Plant Footage:

1989	1,277,000 sq. ft.	1988	1,056,000

Sales & Earnings

	Revenue +	Net Income †
1989	$ 429,730,000	$ 33,324,000
1988	339,671,000	12,568,000
1987	266,332,000	18,368,000
1986	195,031,000	16,951,000
1985	174,718,000	(63,308,000)

	No. of Com. Shares	Earn. per Shares † ‡
1989	40,169,000	$ 0.79
1988	39,027,000	0.30
1987	39,901,000	0.44
1986	40,966,000	0.41
1985	39,774,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $856,000 ($0.02 per share) in 1988, $3,806,000 ($0.09 per share) in 1987 and $5,913,000 ($0.14 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 253,916,000	$ 6.32
1988	215,914,000	5.53
1987	210,840,000	5.28
1986	201,339,000	4.91
1985	176,033,000	4.42

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenue	$ 429,730	$ 339,671
Cost of revenue	254,370	194,369
Expenses:		
Res. & develop.	43,944	44,990
Sell., gen. and adm.	77,892	69,026
Prov. for consolidation	—	1,000
Interest expense	14,246	7,603
Interest income	(5,447)	(3,068)
Other expense	357	1,386
Income before taxes	$ 44,368	$ 24,365
Income taxes	10,204	4,350
Inc. - cont. oper.	$ 34,164	$ 20,015
Loss - discont. oper.	(840)	(8,303)
Net Income	$ 33,324	$ 11,712
Extraord. gain	—	856
Net Income & extraord. gain	$ 33,324	$ 12,568

* Included in Costs and Expenses, Depreciation and Amortization: $28,184,000 in 1989 and $24,492,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 68,272	$ 7,211
Accts. receiv., net	120,587	100,044
*Inventories	153,842	113,705
Contract develop. costs	10,875	6,915
Other curr. assets	9,943	7,235
Current Assets	$ 363,519	$ 235,110
#Fixed assets	146,510	124,666
Noncurr. receivables	16,331	32,458
Cap. software develop. costs	29,574	21,115
Net assets - discont. oper.	3,914	6,224
Other assets	10,147	9,675
Total Assets	$ 569,995	$ 429,250

Liabilities
(000's)

Notes payable	$ —	$ 3,800
Long-term debt, curr.	11,888	24,480
Accts. payable	28,608	33,374
Accruals	82,731	58,711
Income taxes payable	6,688	3,456
Curr. Liabilities	$ 129,915	$ 123,821

Long-term debt	178,952	82,754
Deferred inc. taxes	7,212	6,761
+Common stock	443	427
Add. paid-in capital	189,059	178,122
Accum. trans. adjust.	(232)	170
Retained earnings	97,387	64,063
Treasury stock	(32,741)	(26,868)
Total Liabilties & Shareholders' Equity	$ 569,995	$ 429,250

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	13.12	5.42
Debt to Equity	0.75	0.51
Working Capital	$ 233,604,000	$ 111,289,000
Current Ratio	2.80	1.90
Shareholders' Equity	$ 253,916,000	$ 215,914,000

Ducommun Incorporated

23301 S. Wilmington Avenue
Carson, California 90745
(213) 513-7200
FAX: (213) 513-7298

Officers: Norman A. Barkeley, chairman of the board, president & chief executive officer; Donald R. Schort, sr. v.p., chief financial officer & treasurer; Kenneth R. Pearson, v.p.-human resources; James S. Heiser, general counsel & secretary; Samuel D. Williams, controller.

Directors: Norman A. Barkeley, chairman; H. Frederick Christie, Robert C. Ducommun, Edmond G. Ducommun, Charles W. Missler, Richard J. Pearson, Thomas P. Mullaney, Arthur W. Schmutz, Donald R. Schort.

Divisions and Subsidiaries:

Aerochem, Inc.
1885 N. Batavia Street
Orange, California 92667
(714) 637-4401

Specialist in the field of large scale, close tolerance chemical processes for the aerospace and military/commerical aircraft industries. Chemical milling processes are used to reduce the weight of structural components while maintaining the strength.

AHF-Ducommun Incorporated
Gardena, California

Uses stretch forming, thermal forming and computer-controlled machining to design and engineer aircraft and aerospace components.

Jay-El Products Inc.
Gardenia, California

Manufactures illuminated switches, switch assemblies and keyboard panels.

Transfer Agent(s):

First Interstate Bank
Los Angeles, California 90030

Stock Exchange(s): American, Pacific

Ticker Symbol: DCO

Number of Employees:

1989	900	1987	1,180
1988	990		

Plant Footage:

1989	662,000 sq. ft.	1987	662,000
1988	662,000	1986	434,200

Sales & Earnings

	Net Sales #	Net Income
1989	$ 68,571,000	$ 602,000
1988	59,812,000	(19,375,000)
1987	64,084,000	(18,078,000)
1986	67,973,000	(19,213,000)
1985	69,529,000	(19,685,000)

	No. of Com. Shares	Earn. per Share ‡
1989	3,304,035	$ 0.18
1988	3,304,035	—
1987	3,304,035	—
1986	3,277,377	—
1985	3,351,479	—

(Loss)
Of continuing operations only.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.20	—	—
1986	0.35	—	—
1985	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (8,488,000)	$ —
1988	(9,090,000)	—
1987	33,768,000	10.22
1986	53,035,000	16.18
1985	73,250,000	21.86

(Deficiency)

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 68,571	$ 59,812
Cost of sales	52,721	52,755
Expenses	9,524	15,518
Interest exp.	5,247	4,812
Loss on sale of assets	—	889
Inc. (loss) bef. taxes	$ 1,079	$ (14,162)
Income taxes	304	—
Inc. (loss)-cont. oper.	$ 775	$ (14,162)
Loss-discont. oper.	(456)	(5,213)
Net Income (Loss)	$ 319	$ (19,375)
Extraord. gain	283	—
Net Income (Loss) & extraord. gain	$ 602	$ (19,375)

* Included in Costs and Expenses, Depreciation and Amortization: $3,267,000 in 1989 and $7,154,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1987
Cash	$ 227	$ 780
Accts. receiv., net	10,353	8,939
*Inventories	11,565	12,223
Notes & other receiv.	1,478	133
Other curr. assets	607	461
Net assets of discont. oper.	—	2,073
Current Assets	$ 24,230	$ 24,609
#Fixed assets	27,222	29,432
Exc. of cost over assets acq.	3,534	3,638
Other assets	1,773	1,099
Total Assets	$ 56,759	$ 58,778

Liabilities
(000's)

Long-term debt, curr.	$ 74	$ 1,070
Accts. payable	4,073	4,163
Accruals	9,221	7,565
Curr. Liabilities	$ 13,368	$ 13,198
Long-term debt	12,379	15,170
Convert. subord. notes	39,500	39,500
+Common stock	6,834	6,834
Add. paid-in capital	19,879	19,879
Retained earnings (deficit)	(35,201)	(35,803)
Total Liabilities & Shareholders' Equity	$ 56,759	$ 58,778

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

Sales to Inventories	5.93	4.89
Working Capital	$ 10,862,000	$ 11,411,000
Current Ratio	1.81	1.86
Shareholders' Equity (Deficiency)	$ (8,488,000)	$ (9,090,000)

E.I. du Pont de Nemours & Company

1007 Market Street
Wilmington, Delaware 19898
(302) 774-1000
FAX: (302) 774-0748

Officers: Richard E. Heckert, chairman of the board & chief exec. officer; Edgar S. Woolard, Jr., president & chief operating officer; John Krol, group v.p.-agricultural products; Ross W. Fasick, group v.p.-automotive products; Robert Luft, group v.p.-chemicals & pigments; Charles L. Henry, group v.p.-electronics; James F. Kearns, exec. v.p.-fibers; Anthony J. Cardinal, v.p.-fibers; Mark A. Suwyn, group v.,p.-imaging systems; W. Robert Clay, v.p.-imaging systems; J. Edward Newall, group v.p.-international; James W. Giggey, v.p.-international; Chad O. Holliday, Jr., v.p.-international; David V.S. Williamson, v.p.-international; E. Gary Cook, Jr., v.p.-medical products; Joseph A. Molica, v.p.-medical products; Robert M. Aiken, group v.p.-petrochemicals; Archie W. Dunham, group v.p.-polymer products; Jeffrey M. Lipton, v.p.-polymer products; Constantine S. Nicandros, pres. & chief executive officer-Conoco Inc.; D. John Ogen, v.p.-administration; Harry C. Sager, group v.p.-exploration, products & natural gas; Ted E. Davis, v.p.-natural gas & gas products; James C. Patterson, v.p.-exploration & production; William K. Dietrich, group v.p.-exploration & production-international; Robert E. McKee, 111, v.p., chairman & managing director-Conoco Limited; Colin H. Lee, group v.p.-refining, marketing supply & transportation; H. Kent Bowden, v.p.-refining & marketing; Bob Walker, v.p.-supply & transportation; Gary W. Edwards, v.p.-refining & marketing Europe; Max G. Pitcher, group v.p.-worldwide exploration; Bobby R. Brown, pres. & chief exec. officer-consolidation coal company; Robert B. Atwater, exec. v.p.-marketing-coal; H. Douglas Dahl, exec. v.p.-engineering, exploration, environmental affairs; William Karis, exec. v.p.-administration; C. Wes McDonald, exec. v.p.-operations; Nicholas Pappas, exec. v.p.-corporate plans; Richard A. Stuckey, chief economist; Jerald A. Blumberg, sr. v.p.-employee relations; John W. Himes, v.p.-employee relations; Bruce W. Karth, v.p.-employee relations; John R. Malloy, sr. v.p.-external affairs; Bruce A. Beardwood, v.p.-external affairs; Stacey J. Mobley, v.p.-external affairs; Colbert R. Wilhite, v.p.-external affairs; John J. Quindlen, sr. v.p.-finance; Michael T. Sharples, v.p. & treasurer- finance; Earl T. Timmons, managing director & comptroller; John F. Schmutz, sr. v.p. & general counsel-legal; David M. Francis, asst. general counsel; Howard J. Rudge, asst. general counsel; W. Earl Tatum, sr. v.p.-materials & logistics; Keith E. Tucker, v.p.-pension fund investment; Alexander MacLachlan, sr. v.p.; Howard E. Simmons, v.p.-central research & development; Michael B. Emery, v.p.-engineering; Raymond E. Cairns, Jr., v.p.-information systems.

Directors: Richard E. Heckert*, chairman of the board; H. Rodney Sharp, III, Andrew F. Brimmer, Margaret P. MacKimm, Charles L. Brown, Edward B. du Pont, Howard W. Johnson, Charles R. Bronfman, Edgar M. Bronfman, Dean R. McKay, Louisa C. Duemling, Constantine Nicandros*, Edward G. Jefferson, E. Leo Kolber, David G. Sacks, John L. Weinberg, Elwood P. Blanchard, Jr.*, Edgar S. Woolard, Jr..

* Member of the Executive Committee

Areas of Work: Operations are divided into the following industrial segments: biomedical products; industrial and consumer products; fibers; polymer products; agricultural and industrial chemicals; petroleum exploration; petroleum refining, marketing and transportation; and coal. Biomedical products include clinical instruments and X-ray products used in medical diagnosis; prescription pharmaceuticals; radiopharmaceuticals and radioactive tracer chemicals; and biomedical instruments used principally in research. Industrial and consumer products include photographic products and systems for printing, engineering reproduction, data recording and micrographic markets; electronic products for high-density microciruits, resistor networks and printed circuit boards; electronic connectors; chromium dioxide magnetic particles used in audio and video tapes and cassettes, and for data storage; finishes for the automotive and other industries; nonstick coatings, analytical instruments for research and industrial process monitoring; and sporting firearms and ammunition. Manmade fiber products consist of specialty fibers for apparel and home fabrics, carpeting and industrial applications. Polymer products include plastic resins, elastomers, and films and other fabricated products. Agricultural chemical operations include worldwide manufacture and sales of fungicides, herbicides and insectides for crop protection. Industrial chemicals comprise a range of such commodity and specialty products as pigments, organic chemicals, fluorochemicals, petroleum additives, mineral acids and other inorganics. Principal petroleum products include gasoline, jet fuel, diesel fuel, heating oil, fuel oil, asphalt, petroleum coke, natural gas, liquids and chemical feedstocks.

Industrial Departments:

Medical Products Department
Fabricated Products Department
Chemical and Pigments Department
Petrochemicals Department
International Department
Electronics Department
Polymer Products Department
Fibers Department
Agricultural Products Department
Imaging Systems Department
Automotive Products Department

Subsidiaries:

Du Pont Energy Company

Conoco Inc.

Remington Arms Company, Inc.
Wilmington, Delaware

Du Pont Taiwan Ltd.
Taipei, Taiwan

Du Pont (Australia) Limited
Sydney, Australia

Du Pont (New Zealand) Ltd.
New Zealand

Du Pont, S.A. de C.V.
Mexico, D.F., Mexico

Conoco (U.K.) Limited
London, England

Du Pont de Colombia, S.A.
Bogota, Colombia

Du Pont de Nemours (Belgium)
Brussels, Belgium

Brandywine Assurance Company Ltd.
Bermuda

Du Pont de Nemours (Deutschland) GmbH
Dusseldorf, Germany

Du Pont de Nemours International S.A.
Carouge, (Geneva), Switzerland

Du Pont de Nemours Italiana S.p.A.
Milan, Italy

Du Pont de Nemours (Luxembourg) S.A.
Contern, Luxembourg

Du Pont Photolux, S.A.
Luxembourg

Du Pont de Nemours (Nederland) B.V.
Dordrecht, Netherlands

Dupont Iberica, S.A.
Spain

Du Pont Scandinavia A.B.
Marsta, Sweden

Du Pont de Venezuela C.A.
Caracas, Venezuela

Du Pont do Brasil S.A.
Sao Paulo, Brazil

Du Pont Far East Inc.
Wilmington, Delaware

Du Pont de Nemours (France) S.A.
Paris, France

Du Pont Japan Limited
Japan

Du Pont (Singapore) Electronics Pvt., Ltd.
Singapore

Consolidation Coal Company
Pittsburgh, Pennsylvania

Affiliated Companies:

La Domincia, S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Acquisition:

Howson-Algraphy
A U.K.-based manufacturer of offset plates.

Du Pont Canada, Inc. (75.67% owned)
Montreal, Quebec, Canada

Du Pont Mitsui Fluorochemicals Company, Ltd. (50% owned)
Tokyo, Japan

Du Pont Mitsui Polychemicals Company, Ltd. (50% owned)
Tokyo, Japan

Du Pont Showa Denko Co., Ltd. (50% owned)
Tokyo, Japan

Tetraeilo de Mexico, S.A. (40% owned)
Mexico, D.F., Mexico

Dupont-Toray Co. Ltd. (50% owned)
Tokyo, Japan

Quimica Fluor, S.A. de C.V. (32.9% owned)
Mexico

Nylon de Mexico, S.A. (40% owned)
Mexico

Butachimie (50% owned)
France

Transfer Agent(s):

E.I. du Pont de Nemours & Company
Finance Department
Nemours Building
10th & Orange Streets
Wilmington, Delaware

Mailing Address:

1007 Market Street
Wilmington, Delaware 19898

Stock Exchange(s): New York

Ticker Symbol: DD

Number of Employees:

1989	145,787	1986	141,268
1988	140,949	1985	146,017
1987	140,145		

Sales & Earnings

	Net Sales # (000's)	Net Income (000's)
1989	$ 35,534,000	$ 2,480,000
1988	32,360,000	2,190,000
1987	29,931,000	1,786,000
1986	26,834,000	1,538,000
1985	29,106,000	1,118,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	700,506,000	$ 3.53
1988	717,893,000	3.04
1987	720,647,000	2.46
1986	721,581,000	2.12
1985	721,062,000	1.54

Restated to exclude certain refined product exchanges and trading transactions previously included in sales.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Industrial products	$ 3,702,000	$ 3,082,000
Fibers	5,966,000	5,465,000
Polymers	5,581,000	5,423,000
Petroleum	12,314,000	10,995,000
Coal	1,818,000	1,757,000
Diversified businesses	6,153,000	5,638,000
Total	$ 35,534,000	$ 32,360,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.45	—	3-for-1
1988	1.23 1/3	—	
1987	1.10	—	—
1986	1.01 2/3	—	—
1985	1.00	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1989	$ 15,561,000	$ 22.71
1988	15,343,000	21.36
1987	14,007,000	19.55
1986	13,137,000	18.25
1985	12,422,000	17.21

‡ After allowing for preferred stock at stated values.
# Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988‡
Net sales	$ 35,534,000	$ 32,360,000
Other income	457,000	411,000
Total income	$ 35,991,000	$ 32,771,000
Cost of sales	19,604,000	17,900,000
Expenses	3,377,000	3,065,000
Deprec., deplet. & amort.	2,530,000	2,216,000
Explor. expenses	430,000	468,000
Res. & develop. expenses	1,387,000	1,319,000
Interest expense	623,000	428,000
Taxes	3,716,000	3,578,000
Income bef. taxes	$ 4,324,000	$ 3,797,000
Income taxes	1,844,000	1,607,000
Net Income	$ 2,480,000	$ 2,190,000

‡ Restated.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & marketable securities	$ 692,000	$ 603,000
Accts. & notes receiv., net	5,298,000	4,815,000
*Inventories	4,910,000	4,467,000
Prepaid expenses	444,000	353,000
Current Assets	$ 11,344,000	$ 10,238,000
Investment in affil.	858,000	628,000
#Fixed assets	18,876,000	17,221,000
Other assets	3,637,000	2,632,000
Total Assets	$ 34,715,000	$ 30,719,000

Liabilities
(000's)

Short-term debt & cap. lease oblig., curr.	$ 3,839,000	$ 2,075,000
Accts. payable	2,889,000	2,540,000
Accruals	2,233,000	1,872,000
Income taxes	387,000	209,000
Curr. Liabilities	$ 9,348,000	$ 6,696,000
Long-term debt	4,080,000	3,158,000
Cap. lease oblig.	69,000	74,000
Other liabilities	2,260,000	2,203,000
Minority interest	123,000	109,000
Deferred inc. taxes	3,037,000	2,899,000
+Preferred stock:		
$4.50 series	167,000	167,000
$3.50 series	70,000	70,000
++Common stock	411,000	399,000
Add. paid-in capital	4,399,000	4,595,000
Retained earnings	10,751,000	10,349,000
Total Liabilities & Shareholders' Equity	$ 34,715,000	$ 30,719,000

* Valued at LIFO cost.
# Less accumulated depreciaton and obsolescence.
+ No par value; cumulative.
++ $0.60 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.17	11.73
%Net Income to Sales	6.98	6.77
%Net Income to Equity	15.70	14.06
Sales to Inventories	7.24	7.24
Debt to Equity	0.51	0.34
Working Capital (000's)	$ 1,996,000	$ 3,542,000
Current Ratio	1.21	1.53
Shareholders' Equity (000's)	$ 15,798,000	$ 15,580,000

Dynamics Corporation of America

475 Steamboat Road
Greenwich, Connecticut 06830
(203) 869-3211
FAX: (203) 869-8708

Officers: Andrew Lozyniak, chairman of the board & president; Edward J. Mooney, vice chairman of the board, v.p. & secretary; Henry V. Kensing, v.p. & general counsel; Patrick J Dorme, v.p.-finance & chief financial officer; Richard E. Smith, treasurer; M. Gregory Bohnsack, controller.

Directors: Frank A. Gunther, Henry V. Kensing, Andrew Lozyniak, Cartis T. Roff, Edward J. Mooney, Saul Sperber, Harold Cohan, Patrick J. Dorme.

Area of Work: Operations are divided into three industry segments: electrical appliances and electronic devices; fabricated metal products and equipment; and power and controlled environmental systems.

Divisions:

Anemostat Products
888 North Keyser Avenue
Scranton, Pennsylvania 18504-9723
(717) 346-6586

Designs, manufactures and markets a broad line of air distribution equipment with both pneumatic and electronic controls to meet the need for total environmental control in laboratories, industrial buildings, commercial buildings, and air distribution in aircraft, marine and rail equipment.

Fermont
141 North Avenue
Bridgeport, Connecticut 06606-5195
(203) 366-5211

Manufactures standby and prime power generator sets, control systems, switchgear, power vans, special purpose trailers and accessories for use by the government, prime contractors and commercial business.

Ellis and Watts
4400 Glen Willow Lake Lane
P.O. Box 44010
Cincinnati, Ohio 45244-0010
(513) 891-8000

Air and liquid special cooling and temperature control devices, dehydrators, fluid transfer units, air handling equipment, special fans, and electronic trailers for government industrial and power use.

Reeves-Hoffman
400 West North Street
Carlisle, Pennsylvania 17013-2248
(717) 243-5929

Manufactures quartz crystal products, primarily crystal units, blanks, filters and oscillators for frequency controlled applications in weapons, radar, data transmission and telecommunication systems and hermetic seal packages that are used in the hybrid micro-electronic industry for both consumer and high reliability military electronic integrated circuits.

Waring Products
283 Main Street
New Hartford, Connecticut 06057-0319
(203) 379-0731

Manufactures commercial and consumer portable electrical appliances such as the original blender, mixers, can openers, food slicers, food processors, juicers, coffee preparation products, ice cream makers and food dehydrators.

Subsidiary:

International Electronic Research Corporation
135 West Magnolia Boulevard
Burbank, California 91510-7704
(213) 849-2481

Manufactures board mounted and extruded semiconductor heat sinks/dissipators, Zero Insertion Force circuit board retainers, high performance card cages, cold walls, enclosures, tube shields and other thermal packaging components.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: DYA

Number of Employees:

1989	1,539
1988	1,693
1987	1,719
1986	1,683
1985	1,900

Plant Footage:

1989	1,114,000 sq. ft.
1988	1,114,000
1987	1,114,000
1986	1,114,000

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 126,856,000	$ 2,354,000
1988	127,288,000	5,026,000
1987	120,789,000	3,776,000
1986	139,223,000	1,076,000
1985	138,811,000	15,807,000

	No. of Com. Shares †	Earn. per Share ‡ †
1989	4,026,207	$ 0.58
1988	4,044,561	1.24
1987	4,135,459	0.91
1986	4,164,870	0.26
1985	4,269,642	3.70

+ Of continuing operations only.
‡ Including extraordinary gains of $100,000 ($0.02 per share) in 1987 and $617,000 ($0.15 per share) in 1986.
† Based on the average number of common shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Electrical appliances & electronic devices	$ 59,930	$ 54,896
Fabricated metal products & equipment	21,760	20,656
Power & controlled environmental systems	45,166	51,736
Total	$ 126,856	$ 127,288

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	
1987	0.20	—	—
1986	0.20	—	—
1985	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 94,161,000	$ 23.39
1988	94,338,000	23.32
1987	89,523,000	21.65
1986	88,889,000	21.34
1985	91,128,000	21.34

† Based on the average number of common shares outstanding.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 126,856	$ 127,288
Cost of sales	99,527	95,201
Expenses	29,586	29,525
Other expense (income)	27	(8,066)
Inc. (loss) bef. taxes	$ (2,284)	$ 10,628
Income taxes (credit)	(1,827)	3,575
Eq. in loss (inc.) of unconsol. affil.	(2,811)	1,706
Inc.-cont. oper.	$ 2,354	$ 5,347
Loss-discont. oper.	—	(321)
Net Income	$ 2,354	$ 5,026

* Included in Costs and Expenses, Depreciation and Amortization: $1,803,000 in 1989 and $1,700,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,704	$ 7,234
Marketable securities	5,711	18,670
Accts. receiv, net	21,874	21,763
*Inventories	22,442	27,890
Other current assets	2,281	11,559
Def. income taxes	5,382	326
Current Assets	$ 59,394	$ 87,442
#Fixed assets	6,162	6,473
Eq. invest. in CTS Corp.	58,164	51,970
Other assets	3,625	3,558
Deferred inc. taxes	—	150
Total Assets	$ 127,345	$ 149,593

Liabilities
(000's)

Long-term debt, curr.	$ 370	$ 389
Accts. payable	4,626	4,246
Accruals	21,918	28,076
Income taxes	4,133	3,676
Curr. Liabilities	$ 31,047	$ 36,387
Long-term debt	1,927	18,868
Deferred incme taxes	210	—
+Common stock	397	404
Add. paid-in capital	11,548	11,198
Retained earnings	83,103	83,606
Deferred compensation	(887)	(870)
Total Liabilities & Shareholders' Equity	$ 127,345	$ 149,593

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Sales	1.86	—
%Net Income to Equity	2.50	5.33
Sales to Inventories	5.65	4.56
Debt to Equity	0.02	0.20
Working Capital	$ 28,347,000	$ 51,055,000
Current Ratio	1.91	2.40
Shareholders' Equity	$ 94,161,000	$ 94,338,000

Dynamics Research Corporation

60 Concord Street
Wilmington, Massachusetts 01887
(508) 658-6100
FAX: (508) 657-7765

Officers: John S. Anderegg, Jr., chairman of the board; Albert Rand, president, chief exec. officer & gen. mgr.-Systems Division; Joseph J. Bakewell, v.p. & gen. mgr.-Metrigraphics Division; Charles G. Duffy, v.p. & asst. gen. mgr.-Systems Division; John L. Wilkinson, v.p.-human resources; Chester Ju, v.p. & gen. mgr.-Encoder Division; Joseph W. Griffin, Jr., v.p. & systems development group director; James F. Pablo, v.p.-finance, chief financial officer & treasurer; Thomas P. Graham, controller; Vernon F. Vutech, v.p. & systems program group director; David C. Proctor, asst. treasurer; John R. D. McClintock, clerk; Nancy M. Bodenstein, assistant clerk.

Directors: John S. Anderegg, Jr., chairman; Thomas J. Troup, Sims McGrath, Francis J. Aguilar, Albert Rand.

Areas of Work: The Company's Defense segment is involved in the development and operation of data gathering, analysis, planning and management systems for major weapon programs of the Department of Defense. The Commercial segment manufactures digital encoders that precisely measure position and control motion in electromechanical equipment, manufactures electro-optical discs, scales and reticles which are used for precision measurement, and components for non-impact print heads and printers.

Divisions:

Encoder Division
Metrigraphics Division
Systems Division
Test Equipment Division

Subsidiary:

DRC International Corporation
A domestic international sales corporation (DISC).

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRCO (NASDAQ)

Number of Employees:

1989	1,241	1986	1,041
1988	1,205	1985	1,003
1987	1,236		

Plant Footage:

1989	320,000 sq. ft.	1987	N.A.
1988	332,000	1986	282,000

N.A. - Not Available.

Sales & Earnings

	Net Sales †	Net Income
1989	$ 88,528,000	$ 3,583,000
1988	92,911,000	4,069,000
1987	91,501,000	3,728,000
1986	75,192,000	2,456,000
1985	62,320,000	153,000

	No. of Com. Shares +	Earn. per Share #
1989	5,041,630	$ 0.71
1988	5,044,230	0.81
1987	5,028,538	0.74
1986	5,028,538	0.49
1985	5,028,538	0.44

† Including contract revenues; of continuing operations only.
+ Adjusted to reflect stock dividends.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1989	1988
Contract revenues	$ 78,422,000	$ 82,368,000
Product sales	10,106,000	10,543,000
Total	$ 88,528,000	$ 92,911,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	25%	—
1986	—	25%	—
1985	—	25%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 23,745,000	$ 4.71
1988	20,175,000	4.00
1987	16,043,000	3.19
1986	12,320,000	2.45
1985	9,868,000	1.96

+ Adjusted to reflect stock dividends.

Income Account *

Year ended	12/30/89	12/31/88
Net sales & revenues	$ 88,528,000	$ 92,911,000
Cost of sales	70,495,000	73,012,000
Expenses	11,845,000	12,799,000
Interest expense	391,000	495,000
Income before taxes	$ 5,797,000	$ 6,605,000
Income taxes	2,214,000	2,536,000
Net Income	$ 3,583,000	$ 4,069,000

* Included in Cost and Expenses, Depreciation and Amortization: $1,794,000 in 1989 and $1,611,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash	$ 1,361,000	$ 274,000
Receiv., net	12,230,000	15,731,000
Unbilled fees	17,422,000	14,906,000
*Inventories	1,831,000	1,869,000
Refund. inc. taxes	353,000	2,400,000
Prepaid expenses	725,000	825,000
Current Assets	$ 33,922,000	$ 36,005,000
#Fixed assets	6,085,000	5,221,000
Total Assets	$ 40,007,000	$ 41,226,000

Liabilities

Notes payable	$ 1,585,000	$ 6,900,000
Accts. payable	2,323,000	2,987,000
Accrued payroll	3,888,000	3,265,000
Deferred contract revenue	2,203,000	2,477,000
Other accruals	408,000	563,000
Deferred inc. taxes	5,111,000	4,286,000
Curr. Liabilities	$ 15,518,000	$ 20,478,000
Deferred inc. taxes	744,000	573,000
+ Common stock	504,000	504,000
Add. paid-in capital	6,838,000	6,851,000
Retained earnings	16,403,000	12,820,000
Total Liabilities & Shareholders' Equity	$ 40,007,000	$ 41,226,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	6.55	7.11
%Net Income to Revenues	4.05	4.38
%Net Income to Equity	15.09	20.17
Debt to Equity	0.07	0.34
Working Capital	$ 18,404,000	$ 15,527,000
Current Ratio	2.19	1.76
Shareholders' Equity	$ 23,745,000	$ 20,175,000

Dynascan Corporation

6460 W. Cortland Street
Chicago, Illinois 60635
(312) 889-8870
FAX: (312) 889-1678

Officers: Carl Korn, chairman; Jerry Kalov, president & chief exec. officer; James J. Bode, v.p.-finance, chief financial officer & treasurer; Fred N. Hackendahl, v.p. & president-Marantz Company, Inc.; J. Dennis Burke, v.p. & president-Cobra Electronics Group; Gerald M. Laures, corp. secretary & corp. controller.

Directors: Samuel B. Horberg, Carl Korn, James L. Marovitz, Ronald Cramer, Harold D. Schwartz, Jerry Kalov, Ford Pearson.

Areas of Work: Designs, imports and markets two-way citizens-band radios, cordless and wired telephones, telephone answering systems, radar detectors, scanners, facsimile machines, "Marantz" and "Lloyd's" audio, and "Marantz" audio/video electronic products.

Divisions and Subsidiaries:

Cobra Electronics Group
6500 West Cortland Street
Chicago, Illinois 60635
(312) 889-8870

Cobra Telecommunications
Markets corded and cordless telephones and answering machines.

Cobra Personal Communications Products
Markets CB radios, radar detectors and scanners.

Marantz Company, Inc.
700 N. Commerce Street
Aurora, Illinois 60504
(708) 820-4800
Designs, distributes and markets audio and audio/video products including receivers, tuners, amplifiers, turntables, loudspeakers, cassette decks and compact disc players.

Dynascan Asia Ltd.
401 Iwami Building 4-2-1 Iidabashi
Chiyoda-ku
Tokyo 102, Japan

Lloyd's Electronics, Inc.
700 N. Commerce Street
Aurora, Illinois 60504
(708) 820-6699
Designs and markets clock radios, personal and portable stereos and compact audio systems.

Transfer Agent(s):

Continental Bank N.A.
231 South LaSalle Street
Chicago, Illinois 60697

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYNA (NASDAQ)

Number of Employees:

1989	380	1987	386
1988	408		

Plant Footage:

1989	220,000 sq. ft.	1988	470,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 247,656,000	$ 4,170,000
1988	213,821,000	7,247,000
1987	191,569,000	8,067,000
1986	121,978,000	6,083,000
1985	103,747,000	138,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	6,775,000	$ 0.62
1988	6,999,000	1.04
1987	7,162,000	1.13
1986	7,101,000	0.86
1985	6,842,000	0.02

‡ Based on the average number of share outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 51,113,000	$ 8.23
1988	49,618,000	7.64
1987	45,544,000	6.64
1986	37,488,000	5.48
1985	31,374,000	4.61

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 247,656,000	$ 213,821,000
Cost of sales	194,423,000	161,617,000
Expenses	39,076,000	36,245,000
Audio group move exp.	1,679,000	—
Interest expense	5,226,000	3,174,000
Prof. sh. plan	758,000	850,000
Other income	(421,000)	(145,000)
Inc. bef. taxes	$ 6,915,000	$ 12,080,000
Income taxes	2,745,000	4,833,000
Net Income	$ 4,170,000	$ 7,247,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,771,000 in 1989 and $1,606,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,729,000	$ 5,103,000
Receiv., net	47,361,000	42,641,000
*Inventories	61,054,000	39,273,000
Prepaid expenses	9,848,000	6,451,000
Current Assets	$ 121,992,000	$ 93,468,000
#Fixed assets	8,885,000	8,746,000
Exc. of cost over assets acq.	6,045,000	8,140,000
Other assets	4,753,000	4,786,000
Total Assets	$ 141,675,000	$ 115,140,000

Liabilities

Accts. payable	$ 6,539,000	$ 7,280,000
Accrued payroll	3,320,000	3,256,000
Accrued adv. costs	2,893,000	3,343,000
Accrued prod. warr. costs	3,239,000	1,838,000
Other accruals	5,446,000	3,933,000
Curr. Liabilities	$ 21,437,000	$ 19,650,000
Deferred inc. taxes	10,807,000	8,706,000
Long-term debt	57,951,000	36,737,000
Other liabilities	367,000	429,000
+ Common stock	2,345,000	2,345,000
Add. paid-in capital	23,198,000	23,296,000
Retained earnings	31,621,000	27,451,000
Treasury stock	(6,051,000)	(3,474,000)
Total Liabilities & Shareholders' Equity	$ 141,675,000	$ 115,140,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.33 1/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.79	5.65
%Net Income to Sales	1.68	3.39
%Net Income to Equity	8.16	14.61
Sales to Inventories	4.06	5.44
Debt to Equity	1.13	0.74
Working Capital	$ 100,555,000	$ 73,818,000
Current Ratio	5.69	4.76
Shareholders' Equity	$ 51,113,000	$ 49,618,000

Dynatech Corporation

3 New England Executive Park
Burlington, Massachusetts 01803-5087
(617) 272-6100
FAX: (617) 272-2304

Officers: Warren M. Rohsenow, chairman; J. P. Barger, president & chief exec. officer; John F. Reno, exec. v.p. & chief operating officer; William W. Welsh, Jr., v.p.-international business; Donald A. Mixon, v.p.-human resourves; Donald Soenen, v.p.-automobile testing; Dorothy G. Cooley, v.p.; Terence F. Kelly, group v.p.; John A. Powers, v.p.; Joseph A. Sciulli, v.p.; James R. Turner, v.p.; Edward T. O'Dell, Jr., secretary; Vera B. Durling, asst. secretary; Robert H. Hertz, chief financial officer & treasurer; John C. Maag, corp. controller.

Directors: Warren M. Rohsenow, chairman; J. P. Barger, James B. Hangstefer, Theodore Cohn, Warren A. Law, Richard K. Lochridge, Paula Stern.

Areas of Work: Communications Products include specialized products and systems used in network management (monitoring, switching and performance measurement); protocol converters and packet switching equipment (PAD, switches); gateways between private and public networks; software products for point-of-sale data collection and pharmacy management; telephone headsets; two-way radio communications products; radar detectors; high-end audio amplifiers; high-frequency rf amplifiers and microwave components; test instruments; high-resolution monitors for simulators, high-end CAD systems and scientific instruments; aircraft video information systems; diagnostic instruments used in the design, installation and maintenance of digital communications networks; high-speed digital word generators and bus analyzers for the test/simulation of military computers, communications and avionics systems; products used in the control and automation of video facilities; video graphics and animation systems; newsroom management systems; high-speed super microcomputers and expansion boards; and thunderstorm sensors.

Medical and Diagnostic Products include systems, subsystems and disposables for immunological and microbiological testing of human and animal blood products and for testing of industrial products such as foods; image analysis systems using optical and computer technology to determine response of tumors to chemotherapeutic drugs; radiation therapy treatment planning systems; and test and safety equipment for biomedical, diagnostic and life support instruments.

Scientific Instruments include precision automotive diagnostic equipment used in the servicing and repair of engine malfunctions and failures of on-board electronic systems; automatic precision sampling injectors and precision syringes; semiconductor test handling equipment for high-speed insertion of semiconductor devices into automatic test equipment; and programmable signal conditioning and recording equipment for very-high-speed transient events, such as vehicle crash testing and blast wave monitoring.

Dynatech Corporation

Divisions and Subsidiaries:

ALTA Group, Inc.
San Jose, California

Parallax Graphics, Inc.
Santa Clara, California

New England Technology Group, Inc.
Cambridge, Massachusetts

V.I. Corporation
Amherst, Massachusetts

Trigon/Adcotech, Inc.
Milpitas, California

Lightning Location & Protection, Inc.
Tuscon, Arizona

Dynatech Precision Sampling Corp.
Baton Rouge, Louisiana

LEA Dynatech Inc.
Santa Fe Springs, California

Sensors, Inc.
Saline, Michigan

Dynatech Laboratories, Incorporated
Chantilly, Virginia

Dynatech Nevada, Inc.
Carson City, Nevada

Dynatech Medical Products Ltd.
Guernsey, Channel Islands

Computerized Medical Systems, Inc.
Maryland Heights, Missouri

MaproTec GmbH
Ludwigsburg, West Germany

Dynatech Communications, Inc.
Woodbridge, Virginia

Dynatech Microwave Technology, Inc.
Calabasas, California

Dynatech NewStar, Inc.
Madison, Wisconsin

Whistler Corporation
Westford, Massachusetts

Unex
Chelmsford, Massachusetts

Telecommunications Techniques Corporation
Germantown, Maryland

Dynatech Computer Systems, Inc.
Mountain View, California

Dynatech Data Communications, Ltd.
Guernsey, Channel Islands

Dynatech Electro-Optics Corporation
San Luis Obispo, California

Pacific Instruments, Inc.
Concord, California

Trontech, Inc.
Neptune, New Jersey

XKD Corporation
Los Gatos, California

Interface Technology, Inc.
Glendora, California
Manufactures and markets digital electronics test instruments.

Cybermation Ltd.
St. Albans, Hertfordshire, England

Digital Technology, Inc.
Dayton, Ohio

Innovative Electronics, Inc.
Miramar, Florida

Dynatech Tactical Communications, Inc.
Westford, Massachusetts

Utah Scientific, Inc.
Salt Lake City, Utah

Quanta Corporation
Salt Lake City, Utah

ColorGraphics Systems, Inc.
Madison, Wisconsin

Piiceon, Inc.
San Jose, California
Manufactures peripheral and upgrade products for microcomputers.

Threshold, Inc.
Auburn, California
Manufactures solid state power amplifiers and preamplifiers.

ComCoTec, Inc.
Burr Ridge, Illinois
Manufactures software products for the pharmacy and retail service industries.

Asinc, Inc.
Tustin, California
Manufactures passenger cabin video information systems for airlines.

Micro Processor Systems, Inc.
Sterling Heights, Michigan
Manufactures and sells electronic test and diagnostic equipment for use in automotive assembly plants, dealerships and aftermarket repair facilities.

Entegrated Health Systems, Inc.
San Diego, California

Overseas Sales Companies:

Dynatech Produkte, A.G.
Embrach-Embraport, Switzerland

V.I. Corporation Limited
Maidenhead, England

Dynatech Laboratories Ltd.
Billingshurst, West Sussex, England

Laboratoire Dynatech S.A.R.L.
Marnes la Coquette, France

Dynatech Deutschland GmbH
Denkendorf, West Germany

Dynatech Systems GmbH
Friedrichsdorf, West Germany

Dynatech Broadcast Group, Ltd.
Kingsclere, England

Cromemco GmbH
Eschborn, West Germany

Dynatech Communications A/S
Oslo, Norway

Dynatech Communications Svenska A.B.
Taby, Sweden

Dynatech Systems France SA
Saint-Cloud, France

Dynatech Japan, Inc.
Tokyo, Japan

Test Instruments France
Saint-Cloud, France

Dynatech Communications S.R.L.
Milano, Italy

Dynatech Systems Ltd.
Waltham Cross, Hertfordshire, England

Dynatech Communications Ltd.
Waltham Cross, Hertfordshire, England

Dynatech Hong Kong Ltd.
Wanchai, Hong Kong

Sensors Testsysteme GmbH
Dusseldorf, West Germany

Telecommunications Techniques Company (U.K.) Ltd.
County Meath, Ireland

Dynatech Broadcast Group
Aalsmeer, Netherlands

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYTC (NASDAQ)

Number of Employees:

1990	2,995
1989	2,892
1988	3,060
1987	3,100
1986	2,550

Sales & Earnings

	Net Sales	Net Income
1990	$ 433,343,000	$ 14,735,000
1989	399,509,000	18,585,000
1988	374,091,000	25,468,000
1987	320,582,000	24,575,000
1986	281,515,000	21,526,000

	No. of Com. Shares	Earn. per Share #
1990	9,704,159	$ 1.43
1989	11,128,064	1.53
1988	12,312,406	2.07
1987	12,267,544	2.01
1986	12,176,493	1.78

# Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Communications prods.	$ 285,007,000	$ 247,939,000
Scientific instruments	91,680,000	97,697,000
Medical & diagnostic prods.	56,656,000	53,873,000
Total	$ 433,343,000	$ 399,509,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 136,592,000	$ 14.08
1989	148,059,000	13.31
1988	154,028,000	12.51
1987	126,170,000	10.28
1986	98,171,000	8.06

Income Account *
(000's)

Year ended March 31	1990	1989
Net sales	$ 433,343	$ 399,509
Cost of sales	211,618	192,060
Expenses	145,531	131,723
Prod. develop. exp.	42,486	39,163
Interest expense	5,379	2,410
Other income	(931)	(722)
Unusual items	2,700	5,313
Income before taxes	$ 26,560	$ 29,562
Income taxes	11,825	10,977
Net Income	$ 14,735	$ 18,585

* Included in Costs and Expenses, Depreciation and Amortization: $19,404,000 in 1990 and $17,454,000 in 1989.

Assets
(000's)

As of March 31	1990	1989
Cash & cash equiv.	$ 26,631	$ 26,071
Accts. receiv., net	84,898	72,595
*Inventories	68,487	73,576
Other curr. assets	7,432	7,152
Current Assets	$ 187,448	$ 179,394
#Fixed assets	37,916	37,673
Other assets	48,988	46,823
Total Assets	$ 274,352	$ 263,890

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 3,352	$ 7,051
Accts. payable	17,948	20,791
Accrued payroll	16,439	14,503
Accrued interest	1,829	1,312
Accrued taxes	2,211	1,800
Deferred revenue	2,246	1,107
Other accruals	13,226	10,364
Income taxes	2,501	1,272
Curr. Liabilities	$ 59,752	$ 58,200
Long-term debt	76,927	55,321
Def. inc. taxes	1,081	2,310
+ Common stock	2,473	2,472
Add. paid-in capital	9,164	9,152
Retained earnings	170,512	155,777
Cum. for. curr. trans.	2,084	3,527
Treasury stock	(47,641)	(22,869)
Total Liabilities & Shareholders' Equity	$ 274,352	$ 263,890

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	6.13	7.40
%Net Income to Sales	3.40	4.65
%Net Income to Equity	10.79	12.55
Sales to Inventories	6.33	5.43
Debt to Equity	0.59	0.42
Working Capital	$ 127,696,000	$ 121,194,000
Current Ratio	3.14	3.08
Shareholders' Equity	$ 136,592,000	$ 148,059,000

EAC Industries, Inc.

875 North Michigan Avenue
Suite 1304
Chicago, Illinois 60611
(312) 642-5522
FAX: (312) 642-7171

Officers: Daniel E. Virnich, president & treasurer; Sharon Hofmann, secretary.

Directors: George J. Dunn, Paul Fritzsche*, James F. Peil*, Daniel E. Virnich*, Paul E. Price*, James M. Baisley.

* Member of the Executive Committee

Areas of Work: Manufactures hardware products for screen and storm doors and security locks, and point-of-purchase advertising such as in-store sales aids, wall decorations and metallized plastic.

Subsidiaries:

Ideal Security Hardware Corporation
Gray, Tennessee
Produces and markets latches, chains, and hinges for storm and screen doors, and gate and fence hardware.

Goodren Products Corporation
Englewood, New Jersey
Designs and produces point-of-purchase advertising displays and wall decorations.

La Compagnie Ideal Security, Inc.
LaSalle, Quebec, Canada

Electro Finition Inc.
LaSalle, Quebec, Canada

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: EAC

Number of Employees:

1990	277	1988	570
1989	295	1987	1,110

Plant Footage:

1990	501,800 sq. ft.	1988	316,000
1989	287,000	1987	433,000

Sales & Earnings x

	Revenues +	Net Income
1989	$ 37,415,000	$ (12,238,000)
1988	31,531,000	(1,240,000)
1987	30,013,000	(1,996,000)
1986	27,911,000	N.A.
1985	26,851,000	N.A.

	No. of Com. Shares	Earn. per Share #
1989	1,962,000	$ —
1988	1,942,000	—
1987	1,947,000	—
1986	1,947,000	—
1985	1,929,000	—

(Loss)
N.A. - Not Available.
x Restated to reflect change in inventory valuation.
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Hardware	$ 31,162	$ 25,802
Point-of-purchase adv.	6,253	5,729
Total	$ 37,415	$ 31,531

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.30	—	—
1985	0.40	—	—

Common Stock Equity x

	Total Equity	Equity Per Share
1989	$ 1,126,000	$ 0.57
1988	13,237,000	6.82
1987	14,440,000	7.42
1986	16,358,000	8.40
1985	17,909,000	9.28

x Restated.

Income Account *
(000's)

Year ended Jan. 31	1990	1989‡
Net sales	$ 37,415	$ 31,531
Cost of sales	29,256	22,951
Expenses	9,465	7,609
Relocation costs	6,593	—
Eq. in loss (inc.) of affil cos.	160	(97)
Interest expense	2,951	949
Inc. (loss) bef. taxes	$ (11,010)	$ 119
Income taxes	39	104
Inc. (loss)-cont. oper.	$ (11,049)	$ 15
Loss-discont. oper.	(1,189)	(1,255)
Net Loss	$ (12,238)	$ (1,240)

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $2,777,000 in 1990 and $918,000 in 1989.

Assets
(000's)

As of Jan. 31	1990	1989‡
Cash	$ 76	$ 1,094
Accts. receiv., net	5,794	6,582
*Inventories	7,293	8,492
Prepaid expenses	1,868	1,409
Net assets-discont. oper.	—	18,205
Current Assets	$ 15,031	$ 35,782
Investments	1,285	1,419
#Fixed assets	10,423	8,868
Mfg. facil. held for sale	4,187	—
Intangibles	231	1,499
Other assets	532	1,299
Total Assets	$ 31,689	$ 48,867

Liabilities
(000's)

	1990	1989‡
Short-term debt	$ 11,800	$ —
Long-term debt, curr.	6,510	1,117
Accts. payable	4,785	3,265
Accruals	3,747	2,213
Accrued inc. taxes	4	1,469
Liab. of discont. oper.	2,195	17,184
Curr. Liabilities	$ 29,041	$ 25,248
Long-term debt	—	8,705
Deferred inc. taxes	1,522	1,677
+Common stock	232	232
Add. paid-in capital	12,789	12,816
Cum. trans. adj.	(26)	(52)
Retained earnings (deficit)	(9,487)	2,751
Treasury stock	(2,382)	(2,510)
Total Liabilities & Shareholders' Equity	$ 31,689	$ 48,867

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
Sales to Inventories	5.13	3.71
Debt to Equity	—	0.81
Working Capital	—	$ 10,534,000
Current Ratio	—	1.42
Shareholders' Equity	$ 1,126,000	$ 13,237,000

Eagle Picher Industries, Inc.

580 Walnut Street
P.O. Box 779
Cincinnati, Ohio 45202
(513) 721-7010
FAX: (513) 721-2341

Eagle Picher Industries, Inc.

Officers: Thomas E. Petry, president & chief executive officer; John W. Painter, exec. v.p.; Melvin F. Chubb, Jr., sr. v.p.; Andries Ruijssenaars, sr. v.p.; James M. Dines, v.p.; John E. Powers, sr. v.p.; James A. Ralston, v.p. & general counsel; James G. Baird, v.p.; J. Rodman Nall, v.p.; Ernest H. Hirsh, v.p.; David N. Hall, sr. v.p.-finance; Harry A. Neely, treasurer; Corinne M. Faris, secretary; Joshua E. Adams, asst. treasurer; Carroll D. Curless, v.p. & controller; David W. Matthews, asst. secretary; Marc L. Greenberg, asst. general counsel.

Directors: William D. Atteberry, Paul W. Christensen, Jr., Daniel W. LeBlond, John W. Painter, Charles S. Mechem, Jr., V. Anderson Coombe, Thomas E. Petry, Sidney J. Weinberg, Jr., Richard T. Farmer, Roger L. Howe.

Areas of Work: The Company's electronic activities include the manufacture of special-purpose battery systems for electrical vehicles, utility load leveling, and worldwide communications satellites; the manufacture of sophisticated electronic components for aerospace, shipboard, ground-based, and industrial applications; and the production of new crystalline materials for semiconductor and infrared applications.

Electronics-related Divisions:

Electronics Division
Joplin, Missouri
Special purpose batteries; high-precision metal products.

Specialty Materials Division
Quapaw, Oklahoma
Produces high-purity germanium, gallium, lithium, and boron materials for the nuclear and electronic industries.

Transicoil Inc.
Worcester, Pennsylvania
Manufactures components and controls consisting of motors, torquers and torquer pots, generators and motor generators, synchros and resolvers, servo mechanisms and assemblies; and panels and displays consisting of integrated switch panels, annunciators, and fiber optic displays.

Penn Airborne Products Company
Southampton, Pennsylvania
Manufactures engine-monitoring instruments and auxiliary instruments for aircraft and aerospace applications.

Tri Signia Corporation
Tucson, Arizona
Provides integrated control systems, which allow the user to automate motion control without writing custom software, and provides systems integration services.

Transfer Agent(s):

AmeriTrust Company National Association
Cincinnati, Ohio

Stock Exchange(s): New York, Cincinnati

Ticker Symbol: EPI

Number of Employees:

1989	8,200
1988	9,000
1987	8,300
1986	7,900
1985	8,200

Sales & Earnings

	Net Sales	Net Income
1989	$ 729,915,000	$ 53,814,000
1988	770,110,000	(465,762,000)
1987	677,234,000	39,988,000
1986	648,337,000	38,808,000
1985	641,736,000	(119,899,000)

	No. of Com. Shares	Earn. per Share ‡
1989	10,695,000	$ 5.04
1988	10,679,000	—
1987	10,662,000	3.70
1986	10,668,000	3.80
1985	9,491,000	—

(Loss)
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Industrial	$ 152,300	$ 193,600
Machinery	253,400	268,500
Automotive	324,200	308,000
Total	$ 729,900	$ 770,100

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.84	—	
1987	1.12	—	—
1986	1.04	—	—
1985	1.04	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (213,470,000)	$ —
1988	(267,469,000)	—
1987	206,778,000	19.39
1986	179,476,000	16.82
1985	107,702,000	11.35

(Deficiency)

Income Account *

Year ended Nov. 30	1989	1988
Net sales	$ 729,915,000	$ 770,110,000
Cost of sales	622,474,000	636,486,000
Expenses	67,363,000	63,819,000
Asbestos litigation	—	559,542,000
Gain on sale of oper.	(21,633,000)	—
Interest expense	11,798,000	9,515,000
Other income	(6,401,000)	(1,390,000)
Inc. (loss) bef. taxes	$ 56,314,000	$ (497,862,000)
Income taxes (credit)	2,500,000	(32,100,000)
Net Income (Loss)	$ 53,814,000	$ (465,762,000)

* Included in Costs and Expenses, Depreciation and Amortization: $25,413,000 in 1989 and $25,630,000 in 1988.

Assets

As of Nov. 30	1989	1988
Cash	$ 11,357,000	$ 15,653,000
Receiv., net	112,386,000	119,585,000
Income taxes receiv.	—	57,300,000
Due from insur. carriers	10,000,000	7,500,000
* Inventories	87,247,000	100,808,000
Deferred inc. taxes	25,069,000	25,890,000
Prepaid expenses	13,558,000	11,224,000
Current assets	$ 259,617,000	$ 337,960,000
# Fixed assets	155,243,000	166,304,000
Due from insur. carriers	20,000,000	42,500,000
Other assets	44,094,000	36,657,000
Total Assets	$ 478,954,000	$ 583,421,000

Liabilities

Short-term borrowings & long-term debt, curr.	$ 3,963,000	$ 101,334,000
Accts. payable	56,292,000	71,611,000
Comp. & empl. benefits	9,264,000	10,396,000
Income taxes	5,028,000	6,832,000
Asbestos reserve	85,000,000	65,000,000
Other accruals	23,823,000	21,424,000
Curr. Liabilities	$ 183,370,000	$ 276,597,000
Long-term debt	100,693,000	94,336,000
Other long-term liabilities	584,000	900,000
Deferred inc. taxes	—	14,997,000
Asbestos reserve	407,777,000	464,060,000
+ Common stock	13,906,000	13,906,000
Add. paid-in capital	42,990,000	43,238,000
For. curr. trans.	343,000	273,000
Retained earnings (deficit)	(260,933,000)	(314,747,000)
Treasury stock	(9,776,000)	(10,139,000)
Total Liabilities & Shareholders' Equity	$ 478,954,000	$ 583,421,000

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.72	—
% Net Income to Sales	7.37	—
Sales to Inventories	8.37	7.64
Working Capital	$ 76,247,000	$ 61,363,000
Current Ratio	1.42	1.22
Shareholders' Equity (Deficiency)	$ (213,470,000)	$ (267,469,000)

Eastman Kodak Company

343 State Street
Rochester, New York 14650
(716) 724-4000
FAX: (716) 724-0663

Officers: Colby H. Chandler, chairman of the board & chief executive officer; Kay R. Whitmore, president; Peter Giles, v.p. & director-corporate commercial affairs; David J. Metz, sr. v.p.& dir.-corp. communications & public affairs; Robert L. Long, v.p. & dir.-corp. planning; Cecil D. Quillen, Jr., sr. v.p. & general counsel; Paul L. Smith, sr. v.p. & dir.-finance & adm.; C. Michael Hamilton, treasurer; George D. Lord, v.p. & dir.-financial planning; Julian M. Gordon, general comptroller; John R. McCarthy, sr. v.p.-corporate relations; Gary P. Van Graafeiland, secretary & associate general counsel; Edwin P. Przybylowicz, sr. v.p. & dir.-research; William F. Fowble, group v.p. & gen mgr.-Photographic Products Group; Frank P. Strong, Jr., group v.p. & gen. mgr.-commercial systems group; Lawrence J. Matteson, group v.p. & gen. mgr.-imaging and information systems; Wilbur J. Prezzano, group v.p. & gen. mgr.-international; Katherine M. Hudson, v.p. & dir.-corp. information systems; Earnest W. Deavenport, Jr., group v.p. & president-Eastman Chemicals; Leo J. Thomas, chairman, group v.p. & gen. mgr.-Health group; Louis P. Mattis, chairman & pres.-Sterling Drug Inc..

Directors: Colby H. Chandler, chairman; Juanita M. Kreps, Roger E. Anderson, Cecil D. Quillen, Jr., Charles T. Duncan, Kay R. Whitmore, David S. Saxon, Paul L. Smith, John F. Burlingame, Richard S. Braddock, John J. Phelan, Jr., Martha Layne Collins, Roberto C. Goizueta, John R. McCarthy.

Areas of Work: Develops, manufactures and markets still cameras and projectors, lenses, microfilming units, and professional photographic equipment; photographic films, papers, plates and chemicals; business equipment and related products, including copier-duplicators; batteries; light-sensitive materials for scientific use, positive-working photoresists for fabricating circuit boards, duplicating plates for making negative copies of printed circuits; man-made fibers, industrial chemicals and plastics; pharmaceutical specialty products, proprietary products, medical radiography and clinical diagnostic material and equipment, and household and other products.

Divisions and Subsidiaries:

Copy Products Division
Clinical Products Division
Health Sciences Division
Mass Memory Division
Federal Systems Division
Consumer Services Division

Kodak Apparatus Division
901 Elmgrove Road
Rochester, New York 14650
(716) 724-4000

Business Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Motion Picture and Television Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Consumer Imaging Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Graphics Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Professional Photography Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Customer Equipment Services Division
800 Lee Road
Rochester, New York 14650
(716) 724-4000

Eastman Chemicals Division
343 State Street
Rochester, New York 14650
(716) 325-2000

Arkansas Eastman Company
P.O. Box 2357
Batesville, Arkansas 72501
(501) 698-1811

Carolina Eastman Company
P.O. Box 1782
Columbia, South Carolina 29202
(803) 794-9200

Tennessee Eastman Kodak
P.O. Box 511
Kingsport, Tennessee 37662
(615) 246-2111

Texas Eastman Company
P.O. Box 7444
Longview, Texas 75601
(214) 757-6611

Eastman Gelatine Corporation
227 Washington Street
Peabody, Massachusetts 01960
(617) 531-1700

Kodak Canada Inc.
3500 Eglinton Avenue West
Toronto, Ontario M6M 1V3, Canada
(416) 766-8233

Kodak Limited
P.O. Box 66
Kodak House, Station Road, Hemel Hempstead
Hertfordshire HP1 1JU, England

Kodak-Pathe
8-26 rue Villiot
Paris, Cedex 12 75008, France

Kodak A.G.
Postfach 369
7000 Stuttgart 60, Germany

Kodak (Australasia) Pty. Ltd.
173-3058 Elizabeth Street
Coburg, Victoria, Australia

Kodak Brasileira C.I.L.
Av. Brigadeiro Faria Limia, 1815, 7th Floor
Caixa Postal 225
Sao Paulo 01000, Brazil

Eastman Kodak International Sales Corporation
Torrey Pines Realty Company, Inc.
Cyclotomics, Inc.
Eastman Chemical Products, Inc.
Holston Defense Corporation
Mustang Pipeline Company
Pinto Pipeline Company of Texas
Eastman Chemical International Ltd
Kodak Argentina, Ltd.
Kodak Chilena S.A.F.
Kodak Mexicana, Ltd.
Kodak Panama, Ltd.
Kodak Export Limited
Laboratorios Kodak Limitada
Foto Interamericana de Peru, Ltd.
Kodak Caribbean, Limited
Eastman Chemical International,A.G.
Kodak Uruguaya, Ltd.

Sterling Drug Inc.
90 Park Avenue
New York, New York 10016
(212) 907-2000
A major pharmaceutical firm.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Pacific, Boston, Phila-Balt-Wash, Paris, London, Tokyo

Ticker Symbol: EK

Number of Employees:

1989	137,750	1986	121,450
1988	145,300	1985	128,950
1987	124,400		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 18,398,000	$ 529,000
1988	17,034,000	1,397,000
1987	13,305,000	1,178,000
1986	11,550,000	374,000
1985	10,631,000	332,000

	No. of Com. Shares +	Earn. per Share #
1989	324,300,000	$ 1.63
1988	324,200,000	4.31
1987	324,100,000	3.52
1986	338,700,000	1.10
1985	338,500,000	0.97

+ Adjusted to reflect stock splits.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1989	1988
Imaging	$ 6,998,000	$ 6,642,000
Information systems	4,200,000	3,937.000
Chemicals	3.522,000	3,123,000
Health	4,009,000	3,597,000
Intersegment	(331,000)	(265,000)
Total	$ 18,398,000	$ 17,034,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 2.00	—	—
1988	1.90	—	
1987	1.71	—	3-for-2
1986	1.63	—	—
1985	1.62	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ 6,642,000	$ 20.48
1988	6,780,000	20.91
1987	6,013,000	18.55
1986	6,388,000	18.86
1985	6,562,000	19.39

Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	12/31/89	12/25/88
Net sales	$ 18,398,000	$ 17,034,000
Cost of sales	11,075,000	9,727,000
Expenses	4,857,000	4,495,000
Restruc. costs	875,000	—
Oper. profit	$ 1,591,000	$ 2,812,000
Investment income	148,000	132,000
Total	$ 1,739,000	$ 2,944,000
Interest exp.	895,000	697,000
Other expense (income)	(81,000)	11,000
Income before taxes	$ 925,000	$ 2,236,000
Income taxes	396,000	839,000
Net Income	$ 529,000	$ 1,397,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,326,000 in 1989 and $1,183,000,000 in 1988.

Assets
(000's)

As of	12/31/89	12/25/88
Cash & cash equiv.	$ 1,095,000	$ 848,000
Marketable securities	184,000	227,000
Receiv., net	4,245,000	4,071,000
*Inventories	2,507,000	3,025,000
Deferred inc. taxes	306,000	272,000
Prepaid charges	254,000	241,000
Current Assets	$ 8,591,000	$ 8,684,000
#Fixed assets	8,628,000	8,013,000
Other assets	6,433,000	6,267,000
Total Assets	$ 23,652,000	$ 22,964,000

Liabilities
(000's)

Payables	$ 6,073,000	$ 5,277,000
Dividends payable	162,000	162,000
Income & other taxes	338,000	411,000
Curr. Liabilities	$ 6,573,000	$ 5,850,000
Long-term borrowings	7,376,000	7,779,000
Other liabilities	1,371,000	990,000
Deferred inc. taxes	1,690,000	1,565,000
+ Common stock	934,000	934,000
Add. paid-in capital	1,000	1,000
Retained earnings	7,802,000	7,922,000
Cum. trans. adjust.	(41,000)	(18,000)
Treasury stock	(2,059,000)	(2,059,000)
Total Liabilities & Shareholders' Equity	$ 23,652,000	$ 22,964,000

* At cost which is not in excess of market. U.S. inventories at LIFO; foreign at FIFO or average.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.03	13.13
%Net Income to Sales	2.88	8.20
%Net Income to Equity	7.96	20.60
Sales to Inventories	7.34	5.63
Debt to Equity	1.11	1.15
Working Capital (000's)	$ 2,018,000	$ 2,834,000
Current Ratio	1.48	1.48
Shareholders' Equity (000's)	$ 6,642,000	$ 6,780,000

Eaton Corporation

Eaton Center
1111 Superior Avenue, N.E.
Cleveland, Ohio 44114
(216) 523-5000
FAX: (216) 523-4787

Officers: James R. Stover, chairman of the board & chief executive officer; William E. Butler, president & chief operating officer; Stephen R. Hardis, vice chairman & chief financial & administrative officer; John M. Carmont, v.p. & treasurer; John D. Evans, v.p.-human resources; Gerald L. Gherlein, v.p. & general counsel; Patrick X. Donovan, v.p.-international; John W. Hushen, v.p.-government relations; William T. Muir, v.p.-manufacturing technologies; Ronald L. Leach, v.p.-accounting; Brock Hattox, v.p.-planning & controller; Warren B. Offutt, v.p.-technical management; Richard T. Sadler, v.p. & secretary; Floyd M. Wilkerson, v.p.-administration; Marshall Wright, v.p.-corporate affairs; Alexander M. Cutler, president-Controls Group; Robert W. Gillison, president-Vehicle Components Group.

Directors: James R. Stover*, chairman of the board; William E. Butler*, Arthur Dole, III, Charles E. Hugel, Furman C. Moseley, Hooper G. Pattillo, Samuel K. Scovil, Neil A. Armstrong, Stephen R. Hardis*, Virginia A. Dwyer, John R. Miller, A. William Reynolds.

* Member of the Executive Committee

Operating Units:

Vehicle Powertrain:

Truck Components:
Mechanical transmissions, drive and trailer axles, brakes, locking differentials, engine valves, valve lifters, tire valves, leaf springs, viscous fan drives, power steering pumps.

Off-Highway Vehicle Components Group:
Mechanical and hydrostatic transmissions, forgings, drive axles, brakes, engine valves, hydraulic valve lifters, hydraulic motors, gear and piston pumps and motors, control valves and cylinders.

Passenger Car Components:
Engine valves, hydraulic valve lifters, emission control valves, viscous fan drives, differentials, tire valves.

Electronics and Controls:
Electromechanical and electronic control systems, devices and assemblies; semiconductor wafer fabrication equipment; sensors and human interface devices; programmable controllers; switches; relays; counters; electrical adjustable speed drives; low-voltage power distribution equipment; aerospace power controls; fasteners and thermostats; automated materials handling.

Transfer Agent(s):

AmeriTrust Company
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: ETN

Number of Employees:

1989	38,734	1986	35,315
1988	37,932	1985	34,583
1987	35,914		

Sales & Earnings

	Net Sales ‡ (000's)	Net Income + (000's)
1989	$ 3,671,000	$ 224,900
1988	3,469,000	212,300
1987	3,110,000	201,200
1096	2,738,000	137,600
1985	2,796,000	230,900

	No. of Com. Shares #	Earn. per Share + #
1989	37,500,000	$ 6.00
1988	37,200,000	5.69
1987	42,000,000	4.77
1986	47,800,000	2.86
1985	49,200,000	4.67

‡ Of continuing operations only.
+ Including extraordinary loss of $17,700,000 ($0.48 per share) in 1988.
# Based on the monthly average number of shares outstanding during each year adjusted to reflect stock split.

Revenues By Line of Business

	1989	1988
Electrical & electronic controls prods.	$ 1,566,000	$ 1,453,000
Truck components	1,271,000	1,310,000
Passenger car components	461,000	419,000
Off-highway vehicle components	373,000	287,000
Total	$ 3,671,000	$ 3,469,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 2.00	—	—
1988	1.67	—	
1987	1.27	—	—
1986	1.07	—	—
1985	0.90	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ 1,144,700	$ 31.01
1988	1,158,600	31.24
1987	1,066,600 †	28.27
1986	1,244,900 †	28.39
1985	1,383,000 †	28.09

† After allowing for preferred stock at liquidation values.
# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 3,671,000	$ 3,468,500
Cost of sales	2,728,000	2,519,000
Expenses	567,600	549,100
Interest expense	74,600	75,300
Interest income	(13,300)	(12,200)
Other income	(21,400)	(30,000)
Income bef. taxes	$ 335,500	$ 367,300
Income taxes	125,800	139,600
Inc. - cont. oper.	$ 209,700	$ 227,700
Inc. - discont. oper.	15,200	2,300
Net Income	$ 224,900	$ 230,000
Extraord. loss	—	(17,700)
Net Income & extraord. loss	$ 224,900	$ 212,300

* Included in Costs and Expenses, Depreciation: $130,800,000 in 1989 and $117,400,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 25,800	$ 16,400
Short-term securities	167,500	175,100
Accts. receiv., net	505,600	486,600
*Inventories	442,200	448,500
Deferred inc. taxes	83,800	75,900
Other curr. assets	65,800	102,900
Current Assets	$ 1,290,700	$ 1,305,400
#Fixed assets	1,004,500	925,800
Exc. of cost over assets acq.	284,900	265,800
Other assets	254,600	220,800
Net assets - discont. oper.	216,900	342,400
Total Assets	$ 3,051,600	$ 3,060,200

Liabilities
(000's)

Long-term debt, curr.	$ 23,500	$ 25,400
Short-term debt	38,200	22,900
Accts. payable	245,000	278,000
Accrued compensation	83,300	80,200
Accrued taxes	61,100	211,000
Other curr. liab.	164,500	209,300
Curr. Liabilities	$ 615,600	$ 826,800
Long-term debt	836,200	654,600
Other liab.	288,000	268,600
Deferred inc. taxes	167,100	151,600
+Common stock	18,500	18,500
Add. paid-in capital	446,100	317,300
Retained earnings	842,700	834,400
For. curr. trans. adj.	(17,700)	(11,600)
Note receiv.-emp.stock plan	(144,900)	—
Total Liabilities & Shareholders' Equity	$ 3,051,600	$ 3,060,200

* At lower of cost (LIFO) or market; foreign at FIFO.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Net Income to Equity	19.65	19.85
Sales to Inventories	8.30	7.73
Debt to Equity	0.78	0.61
Working Capital	$ 675,100,000	$ 478,600,000
Current Ratio	2.10	1.58
Shareholders' Equity	$ 1,144,700,000	$ 1,158,600,000

Echlin Inc.

100 Double Beach Road
Branford, Connecticut 06405
(203) 481-5751
FAX: (203) 488-0370

Officers: Frederick J. Mancheski, chairman of the board & chief exec. officer; Roger H. Storey, president; Daniel S. Carboni, executive v.p.; Edward D. Toole, Jr., v.p., secretary & general counsel; Milton J. Makoski, v.p.-human resources; Charles W. O'Connor, asst. secretary; Richard A. Wisot, treasurer; Robert F. Tobey, v.p.-corp. development; Andrew J. Mazzarella, corp. controller; Kenneth T. Flynn, Jr., asst. corp. controller; Joseph A. Onorato, asst. treasurer; Edward C. Shalagan, asst. treasurer.

Directors: Frederick J. Mancheski, chairman of the board; John E. Echlin, Jr., Milton P. DeVane, John F. Gustafson, Phillip S. Myers, John F. Creamer, Jr., Richard C. Curran, William C. Hatcher, Roger H. Storey.

Areas of Work: Manufactures parts and supplies used to maintain or improve the efficiency and safety of motor vehicles including automotive electronic, electro-mechanical, cooling system and fuel system parts. Safety products include hydraulic brake parts, air brake parts, controllers for electric brakes, and additional safety-related products.

Echlin Inc.

Divisions and Subsidiaries:

Ace Electric Company, Inc.
Livonia, Michigan
Columbus, Kansas

Automotive Controls Corp.
Branford, Connecticut
Independence, Kansas

Blackstone Manufacturing Company, Inc.
Chicago, Illinois

Hydraulics Inc.
Litchfield, Illinois
McHenry, Illinois

Lift Parts Mfg. Co.
Des Plaines, Illinois

Echlin-Ponce, Inc.
Ponce, Puerto Rico

Friction Materials, Inc.
Lawrence, Massachusetts

Echlin de Saltillo, S.A. de C.V.
Saltillo, Mexico

Friction Inc.
Irvine, California

Midland Brake, Inc.
Kansas City, Missouri
St. Louis, Missouri
Paris, Tennessee
Iola, Kansas
Owosso, Michigan
Broken Arrow, Oklahoma
Marion, North Carolina

Sensor Engineering Company
Hamden, Connecticut

Tekonsha Engineering Company
Tekonsha, Michigan

Distex Ind. Inc.
Montreal, Quebec, Canada
Milton, Ontario, Canada

ITAPSA, S.A. de C.V. (69%-owned)
Los Reyes La Paz, Mexico

Prattville Mfg., Inc.
Prattville, Alabama

Lipe Limited
Haslingden, England

Graubremse GmbH
Heidelberg, West Germany
Regensburg, West Germany

Grau Girling Limited
Redditch, England
Blackburn, England

Quinton Hazell PLC
Nuneaton, England
Redditch, England
Colwyn Bay, Wales
Dublin, Ireland
Lille, France
Milan, Italy

Friction,Inc.
Chowchilla, California
Irvine, California
Fredericksburg, Virginia
Dallas, Texas

BWD Automotive of Puerto Rico, Inc. (70%-owned)
San Juan, Puerto Rico

BWD International
Elk Grove Village, Illinois

Echlin Charger Manufacturing Company (Pty.) Ltd.
(92% owned)
Johannesburg, South Africa

Echlin Mexicana S.A. de C.V. (69%-owned)
Mexico City, Mexico

Echlin de Venezuela, C.A. (50%-owned)
Caracas, Venezuela

Echlin de Brasil, S.A.
Sao Paulo, Brazil

Echlin Australia (Pty.) Ltd.
Melbourne, Australia

Echlin Canada Inc.
Toronto, Ontario, Canada
Niagara Falls, Ontario, Canada

Ristance Corporation
Mishawaka, Indiana

Sierra Supply Company
Litchfield, Illinois

BWD Automotive Corporation
Corona, California
Ottawa, Illinois
Franklin Park, Illinois

Echlin Sales/International
Branford, Connecticut

Pacer Industries, Inc.
Pensacola, Florida
Northvale, New Jersey
Washington, Missouri

Pacer K.S., Inc.
Ronkonkoma, New York

Continental Hydraulic Hose Corp.
Upper Sandusky, Ohio

Ram Products, Inc.
Northvale, New Jersey

United Brake Systems Inc.
Indianapolis, Indiana

Urba S.A. Industria e Comercio de Auto Pecas
Sao Paulo, Brazil

Transfer Agent(s):

The Connecticut Bank and Trust Company
Hartford, Connecticut

Stock Exchange(s): New York, Pacific, International (London)

Ticker Symbol: ECH

Number of Employees:

1989	16,200	1986	10,900
1988	14,700	1985	9,500
1987	13,500		

Plant Footage

1989	7,037,000 sq.ft.	1986	4,768,000
1988	4,850,000	1985	4,644,000
1987	5,186,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,454,492,000	$ 44,419,000
1988	1,294,297,000	62,072,000
1987	1,099,703,000	45,634,000
1986	901,890,000	48,844,000
1985	771,390,000	45,603,000

	No. of Com Shares ‡	Earn. per Share ‡
1989	55,733,000	$ 0.80
1988	55,613,000	1.12
1987	52,098,000	0.88
1986	44,123,000	1.11
1985	41,609,000	1.10

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.66	—	—
1988	0.59	—	
1987	0.53	—	—
1986	0.47	—	—
1985	0.41	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity P er Share ‡
1989	640,623,000	11.48
1988	634,267,000	11.39
1987	603,469,000	10.88
1986	423,043,000	8.79

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Aug. 31	1989	1988
Net sales	$ 1,454,492	$ 1,294,297
Cost of sales	1,054,650	935,531
Expenses	326,221	263,605
Interest expense	24,594	13,229
Interest income	(13,677)	(11,368)
Income before taxes	$ 62,704	$ 93,300
Income taxes	18,285	31,228
Net Income	$ 44,419	$ 62,072

* Included in Costs and Expenses. Depreciation and Amortization: $40,639,000 in 1989 and $35,230,000 in 1988.

Assets
(000's)

As of Aug. 31	1989	1988
Cash	$ 17,690	$ 14,833
Accts. receiv.	191,996	200,315
* Inventories	456,509	421,826
Other assets	15,685	11,904
Current Assets	$ 681,880	$ 648,878
# Fixed assets	264,734	242,169
Market. secur.	15,019	124,014
Other assets	72,621	71,507
Total Assets	$ 1,086,568	$ 1,086,568

Liabilities
(000's)

Notes payable	$ 18,541	$ 12,127
Long-term debt. curr.	2,788	3,586
Accts. payable	90,059	92,050
Accrued payroll	21,811	20,226
Other accruals	73,819	79,146
Income taxes	37,890	44,848
Amt. due for purch. of bus.	—	49,395
Curr. Liabilities	$ 244,908	$ 301,378
Long-term debt	107,609	114,938
Deferred inc. taxes	41,114	35,985
+ Common stock	56,051	55,946
Add. paid-in capital	316,192	315,123
Retained earnings	273,665	266,031
For. curr. trans. adj.	(2,290)	162
Treasury stock	(2,995)	(2,995)
Total Liabilities & Shareholders' Equity	$ 1,034,254	$ 1,086,568

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.31	7.21
%Net Income to Sales	3.05	4.80
%Net Income to Equity	6.93	9.79
Sales to Inventories	3.19	3.07
Debt to Equity	0.20	0.21
Working Capital	$ 436,972,000	$ 347,500,000
Current Ratio	2.78	2.15
Shareholders' Equity	$ 640,623,000	$ 634,267,000

EDO Corporation

14-04 111th Street
College Point, New York 11356-1434
(718) 321-4000
FAX: (718) 939-0119

Officers: William R. Ryan, chairman of the board; Gerald Albert, president & chief exec. officer; Frank A. Fariello, exec. v.p.; Robert A. Lapetina, exec. v.p.; Michael J. Hegarty, v.p.-finance, secretary & treasurer; Marvin D. Genzer, general counsel & asst. secretary.

Directors: William R. Ryan, chairman; Michael J. Hegarty, Robert A. Lapetina, H. Struve Hensel, James T. Pyle, Richard Rachals, Gerald Albert, James S. Coles, John H. Meyn, Ralph O. Romaine, Frank Fariello.

Areas of Work: Produces electronic systems and equipment, electro-mechanical devices and fiber-reinforced composites for civil and military aviation, ocean navigation and underwater detection, surveillance and exploration.

Divisions and Subsidiaries:

Government Systems Division
14-04 11th Street
College Point, New York 11356-1434
(718) 321-4000

Washington Office
2001 Jefferson Davis Highway
Arlington, Virginia 22202
(703) 521-5260

Virginia operations
814 Greenbrier Circle
Chesapeake, Virginia 23320
(804) 424-1004

EDO Operations (Israel) Ltd.
Starco Building
Stellas Maris Square
35709 Haifa, Israel

Manufactures shipboard sonar products, such as the variable depth sonar; the helicopter towed hydrofoil sea sled, and other products in the fields of antisubmarine warfare, airborne mine countermeasures systems, aircraft ejection release units, and seaplane floats.

Electro-Acoustic Division and Electro-Ceramic Division
2645 South 300 West
Salt Lake City, Utah 84115-2968
(801) 486-7481
FAX: (801) 486-2115

Oceanograhic and marine navigation instrumentation; sonar doppler navigation equipment; graphic records, piezoelectric ceramics, acoustic devices, underwater video systems and equipment.

Fiber Science Division
P.O. Box 535227
506 North Billy Mitchell Road
Salt Lake City, Utah 84116-5227
(801) 537-1800

Engaged in the filament winding of reinforced plastic composites for commercial aircraft water and waste system tanks, ducting and fitting; the development of hardware for military helicopters and aircraft; plastic products such as chemical tanks, fish farming equipment and molded fiberglass building units.

Barnes Engineering Company
88 Long Hill Cross Roads
Shelton, Connecticut 06484-0867
(203) 926-1777

Designs and manufactures electro-optical systems, instruments and components used in defense, space and commercial applications.

EDO Almondbury, Ltd.
Dorcester, Dorset, United Kingdom

Mine countermeasure systems.

EDO (Canada) Limited
8-6320 11th Street, SE
Calgary, Alberta T2H267, Canada
(403) 255-6667

Transfer Agent(s):

Mellon Securities Trust Company
Fort Lee Executive Park
1 Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): New York

Ticker Symbol: EDO

Number of Employees:

1989	1,459	1986	1,486
1988	1,527	1985	1,330
1987	1,513		

Plant Footage:

1989	N.A.	1986	755,500
1988	729,000 sq. ft.	1985	652,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 149,794,000	$ 5,943,000
1988	137,872,000	9,781,000
1987	127,262,000	6,954,000
1986	113,184,000	6,328,000
1985	116,152,000	8,061,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	5,451,000	$ 0.81
1988	5,961,000	1.54
1987	6,911,000	1.01
1986	7,548,000	0.84
1985	8,000,000	1.01

+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Military systems	$ 96,464,000	$ 93,762,000
Marine systems & spec. prod.	53,330,000	44,110,000
Total	$ 149,794,000	$ 137,872,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.28	—	—
1988	0.28	—	
1987	0.28	—	—
1986	0.28	—	—
1985	0.27	—	—

+ Adjusted to reflect stock dividends.
‡ Paid Feb. 23, 1984.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 47,567,000 #	$ 8.62
1988	43,613,000 #	8.00
1987	50,461,000	8.43
1986	62,350,000	8.73
1985	58,694,000	8.26

# After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 149,794,000	$ 137,872,000
Other income	442,000	299,000
Total income	$ 150,236,000	$ 138,171,000
Cost of sales	122,085,000	112,823,000
Expenses	10,803,000	11,219,000
Research & devel.	4,560,000	5,041,000
Pension plans	2,811,000	2,497,000
Interest expense	3,060,000	2,935,000
Interest income	(711,000)	(2,601,000)
Other expense	205,000	166,000
Income before taxes	$ 7,423,000	$ 6,091,000
Income taxes	1,480,000	1,326,000
Cum. effect of acct. change	—	(5,016,000)
Net Income	$ 5,943,000	$ 9,781,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,903,000 in 1989 and $4,974,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 7,609,000	$ 19,910,000
Short-term invest.	—	12,871,000
Accts. receiv., net	47,329,000	38,292,000
*Inventories	22,207,000	32,793,000
Prepaid expenses	697,000	451,000
Current Assets	$ 77,842,000	$ 104,317,000
#Fixed assets	41,239,000	38,485,000
Cost in exc. of assets acq.	9,729,000	10,096,000
Other assets	9,132,000	8,804,000
Total Assets	$ 137,942,000	$ 161,702,000

Liabilities

Long-term debt, curr.	$ 650,000	$ 648,000
Accts. payable & accruals	13,795,000	18,199,000
Contract advances & deposits	8,118,000	13,911,000
Income taxes	2,397,000	16,389,000
Curr. Liabilities	$ 24,960,000	$ 49,147,000
Long-term debt	36,670,000	37,321,000
Deferred inc. taxes	6,765,000	10,916,000
ESOT loan oblig.	18,480,000	19,148,000
Minority interest	3,410,000	1,467,000
+Preferred stock	90,000	90,000
+Common stock	8,454,000	8,454,000
Add. paid-in capital	45,820,000	45,823,000
Retained earnings	57,355,000	54,472,000
Treasury stock	(45,280,000)	(45,173,000)
Translation adjust.	417,000	264,000
ESOT loan oblig.	(18,480,000)	(19,148,000)
Long-term incent. plan	(719,000)	(1,079,000)
Total Liabilities & Shareholders' Equity	$ 137,942,000	$ 161,702,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.96	4.42
%Net Income to Sales	3.97	7.09
%Net Income to Equity	12.47	22.38
Sales to Inventories	6.75	4.20
Debt to Equity	0.78	0.87
Working Capital	$ 52,882,000	$ 55,170,000
Current Ratio	3.12	2.12
Shareholders' Equity	$ 47,657,000	$ 43,703,000

EECO Incorporated

P.O. Box 659
1601 East Chestnut Avenue
Santa Ana, California 92702-0659
(714) 835-6000

NOTE: As of May 2, 1990, the Company is operating as a debtor-in- possession under Chapter XI of the Federal Bankuptcy Code.

Officers: Robert C. Milo, president; Robert B. Bonney, chairman of the board & chief executive officer; Seymour A. Schlosser, v.p., chief financial officer & secretary; Robert W. Allen, v.p.-administration; Carl Jeremias, v.p. & president-EECO Computer, Inc.; Edward F. Sidor, v.p.-switch products; John C. Roderick, v.p.-international.

Directors: Robert B. Bonney, chairman; John F. Bishop, Robert C. Milo, Ruel C. Mercure, Jr., J. J. Shelton, William J. Bowers, John R. Stahr, Charles S. Strauch, Michael P. Arndt.

Areas of Work: Develops and manufactures computer keyboards, electro-mechanical switch products such as thumbwheel and printed circuit board switches, and membrane keyboards, which are "touch" keypanels and keypads that control the operation of medical instrumentation, industrial processing systems, telecommunications, and computer-related equipment.

Divisions and Subsidiaries:

The Maxi-Switch Company
5436 West Latham Street
Phoenix, Arizona 85043
(602) 272-5645
Manufactures keyboards for use with computers, communications equipment and electronic cash registers.

Maxi-Switch Keyboard
5436 West Latham Street
Phoenix, Arizona 85043
(602) 272-5645
Manufacture of membrane switch panels.

EECO Ltd.
Trafalgar Way Bar Hill
Cambridge CB3 8SQ England
Assembly of Maxi-Switch keyboards for sale in the European market.

EnELCO S.A. de C.V. (49%-owned)
Caborca and Magdalena, Mexico
Assembles products for EECO Incorporated and other companies.

Components Products Division
Video Products Division

Convergence Corporation
Irvine, California
Provides computerized editing and control systems to the television and professional video communications industry.

Transfer Agent(s):

U.S. Stock Transfer Corp.
1745 Gardena Avenue
2nd Floor
Glendale, California 91204

Stock Exchange(s): American

Ticker Symbol: EEC

Number of Employees:

1989	975	1985	748
1987	846	1984	778
1986	880		

Plant Footage:

1988	269,000 sq. ft.	1986	288,000
1987	269,000		

Sales & Earnings

	Net Sales +	Net Income
1988	$ 60,863,000	$ (13,163,000)
1987	48,528,000	1,526,000
1986	32,110,000	2,385,000
1985	24,759,000	1,621,000
1984	24,424,000	1,244,000

	No. of Com. Shares #	Earn. per Share #
1988	3,981,000	$ —
1987	4,048,000	0.38
1986	3,939,000	0.61
1985	3,819,000	0.42
1984	3,855,000	0.32

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1988 (000's)	%	1987 (000's)	%
Computer keyboard prods.	$ 37,138	61 %	$ 28,047	58 %
Membrane keyboard prods.	9,079	15	9,302	19
Electro-mechanical switch prods.	11,658	19	11,179	22 23
Custom OEM	2,988	5	—	—
Total	$ 60,863	100 %	$ 48,528	100 %

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 0.12	—	—
1987	0.24	—	
1986	0.23	—	3-for-2
1985	0.21	—	—
1984	0.21	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 11,732,000	$ 2.95
1987	24,818,000	6.13
1986	23,750,000	6.03
1985	21,772,000	5.70
1984	20,535,000	5.33

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 60,863,000	$ 48,528,000
Cost of sales	54,570,000	33,137,000
Gen., adm. & selling exp.	14,183,000	11,614,000
Res. and develop. exp.	339,000	566,000
Interest expense	3,126,000	1,940,000
Gain on sales of rl. est.	(7,402,000)	—
Reserve. for restruc.	1,200,000	—
Income (loss) bef. taxes	$ (5,153,000)	$ 1,271,000
Income taxes (credit)	(1,751,000)	545,000
Inc. (loss) - cont. oper.	$ (3,402,000)	$ 726,000
Inc. (loss) - discont. oper.	(9,761,000)	800,000
Net Income (Loss)	$ (13,163,000)	$ 1,526,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,861,000 in 1988 and $3,058,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 1,012,000	$ 1,392,000
Accts. receiv., net	17,726,000	17,392.000
Income taxes receiv.	1,223,000	14,000
*Inventories	20,102,000	23,745,000
Prepaid exp. & def. inc. taxes	1,755,000	2,671,000
Current Assets	$ 41,818,000	$ 45,200,000
#Fixed assets	9,539,000	13,752,000
Intangibles	2,426,000	5,652,000
Other assets	1,121,000	4,668,000
Total Assets	$ 54,904,000	$ 69,272,000

Liabilities

Long-term debt, curr.	$ 527,000	$ 781,000
Accts. payable	8,713,000	8,881,000
Notes payable	18,700,000	15,900,000
Income taxes	422,000	846,000
Accrued payroll	1,501,000	1,641,000
Other liabilities	4,307,000	2,457,000
Curr. Liabilities	$ 34,170,000	$ 30,501,000
Long-term debt	6,414,000	11,247,000
Def. gain on sale of real estate	1,637,000	—
Deferred inc. taxes	951,000	2,706,000
+Common stock	7,269,000	6,679,000
Retained earnings	4,257,000	17,897,000
Eq. adjust. from for. curr. trans.	206,000	242,000
Total Liabilities & Shareholders' Equity	$ 54,904,000	$ 69,272,000

* At lower of average cost or market (net realizable value).
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	—	6.15
Sales to Inventories	3.03	3.27
Debt to Equity	2.19	0.48
Working Capital	37,648,000	$ 14,699,000
Current Ratio	1.22	1.48
Shareholders' Equity	$ 11,732,000	$ 24,818,000

EG&G, Inc.

45 William Street
Wellesley, Massachusetts 02181
(617) 237-5100
FAX: (617) 431-4115

Officers: John M. Kucharski, chairman & chief exec. officer; Donald M. Kerr, president; David J. Beaubien, sr. v.p.; Samuel Rubinovitz, exec. v.p.; John R. Dolan, sr. v.p. & chief financial officer; William T. Barrett, vice president; Dale L. Fraser, v.p.; Philip C. Kautt, vice president; Daniel F. Riley, vice president; Charles M. Williams, vice president; Peter H. Zavattaro, vice president; James O. Zane, vice president; Louis P. Valente, vice president; James R. Dubay, vice president; Richard F. Murphy, vice president; Fred B. Parks, vice president; Donald H. Peters, vice president; Luciano S. Rossi, vice president; Louis J. Williams, vice president; Peter A. Broadbent, treasurer; Richard P. Delio, controller; James L. McGuinness, Jr., asst. treasurer; Murray Gross, v.p., general counsel & clerk; John S. Donahue, asst. clerk; Deborah S. Lorenz, director of investor relations.

EG&G, Inc.

Directors: Dean W. Freed, Kent F. Hansen, Donald M. Kerr, Joseph F. Turley, Robert F. Goldhammer, Samuel Rubinovitz, John B. Gray, G. Robert Tod, John M. Kucharski, William F. Pounds, John L. Thompson.

Areas of Work: The Company provides advanced scientific and technical products and services worldwide. It is involved in six business segments. The INSTRUMENTS segment includes technology-based equipment for airport and industrial security and scientific instruments for precise measurement of physical, chemical and biological phenomena. Companies in the COMPONENTS segment provide mechanical, optical and electronic devices for commercial markets. The EG&G TECHNICAL SERVICES businesses provide vehicle and lubricant testing for the automotive industries. Components and subsystems for aviation and aerospace industries worldwide are provided by the EG&G companies in the AEROSPACE segment. The DEFENSE segment includes EG&G operations that support the national defense with technical products and with research, management, and field services. The DEPARTMENT OF ENERGY SUPPORT segment provides site management and engineering services.

Divisions and Subsidiaries:

INSTRUMENTS

EG&G ORTEC
100 Midland Road
P.O. 0895
Oak Ridge, Tennessee 37831-0895
(615) 482-4411

Radiation detectors and associated electronics for nuclear research, radiation-monitoring, materials analysis, and industrial quality control.

EG&G Princeton Applied Research
375 Philips Blvd.
Trenton, New Jersey 08618
(609) 530-1000

Electronic signal detectors and analyzers for plasma research, fiberoptic measurements, laser diagnostics and quality control in the manufacture of semiconductors and magnetic recording media. Electrochemical instruments for analysis of wastewater, foods and medicine, and corrosion rates. Sensors for liquid chromatography analysis, and communication interfaces for recording research data.

EG&G Geometrics
395 Java Drive
P.O. Box 497
Sunnyvale, California 94086
(408) 734-4616

Geophysical survey instrumentation. Specifically, airborne and marine magnetometers, gammaray spectrometers, seismographs and related recording equipment. Airborne surveys for mineral and energy-resource exploration.

EG&G Moisture & Humidity Systems
217 Middlesex Turnpike
Burlington, Massachusetts 01803
(508) 270-9100

Side-scan sonar systems and related instruments for the military and for academic institutions involved in oceanography and geophysics.

EG&G Chandler Engineering
7707 East 38th Street
Tulsa, Oklahoma 74145
(918) 627-1740

High-pressure, high-temperature testers for oil well cement and drilling fluids used in energy production. Precision pressure calibration instruments, consistometers, dead weight testers, viscometers and hygrometers.

EG&G Marine Instruments
1140 Route 28A
P.O. Box 498
Cataumet, Massachusetts 02534
(508) 563-9317

Oceanography instruments. Specifically, acoustic releases, conductivity-temperature-depth systems, current meters, conductivity-temperature-depth systems, current meters, transponder navigation systems, and laboratory standard equipment for the military, academic institutions, and marine industry.

EG&G Gamma Scientific
3777 Ruffin Road
San Diego, California 92123-1876
(619) 279-8034

Instruments and systems for measuring optical radiation and computer-controlled systems for spectral and spatial analysis of electronic and cathode ray tube (CRT) display. Radiometers, spectroradiaometers, photometers, microdensitometers, optical spectrum analyzers.

EG&G Biomolecular
4 Tech Circle
Natick, Massachusetts 01760
(508) 650-1180

DNA sequencer instrument that automates biochemical analysis, or sequencing, or deoxyribonucleic acid of living organisms.

COMPONENTS

EG&G Rotron Group
7 Hasbrouck Lane
Woodstock, New York 12498
(914) 679-2401

Fans and blowers for cooling electronic equipment and for industrial applications. Motors and related drive systems for computer peripherals and industrial machinery.

EG&G Torque Systems
36 Arlington Street
Watertown, Massachusetts 02172
(508) 924-6000

Servo motors, tachometers, power amplifiers, and motor controls.

EG&G Fluid Components Technology Group
15 Pioneer Avenue
Warwick, Rhode Island 02888
(401) 781-4700

Seals and bellows devices from EG&G Sealol used in systems involving engines, motors, gearboxes, pumps, and compressors. Applications in aerospace, marine, military, petrochemical, chemical processing, and other industrial markets. Tensioner systems for manway covers in nuclear plants. Solenoid and mechnical valves from EG&G Wright Components for aerospace and defense applications. Precision metal gaskets for jet engines and flexible ducting for the aircraft industry from EG&G Pressure Science. Formed metal components and assemblies for the aircraft industry from EG&G Aerofab. Precision titanium components for the aerospace industry from EG&G Missouri Metals Shaping Co.

EG&G Electro-Optics
35 Congress Street
Salem, Massachusetts 01970
(508) 745-3200

Flashtubes and power supplies for phototypesetters, office copies, laser scribers, and microfilm equipment and for use in stroboscopy, material curing, beaconry and laser-fusion research. Silicon photodiodes and instruments for detecting and measuring light. Instruments and systems to measure optical radiation. Precision timers. Automate light-sensing switches.

EG&G Frequency Products
35 Congress Street
Salem, Massachusetts 01970
(508) 745-3200

Precision frequency-control devices for military and some commercial applications. Specifically, rubidium atomic frequency standards, crystals and crystal-based oscellators, precision filers, discriminators, and equalizers.

EG&G Reticon
345 Potrero Avenue
Sunnyvale, California 94086
(408) 738-4266

Signal processing devices for communications, computer, musical instrument, and speech-recognition applications. Modem filters for data communications. Photodiode arrays for optical character recognition and facsimile transmission and image sensors for industrial quality, and process control. Camera sensor systems for industrial automation, robotics, and noncontact measurement inspection, and control.

EG&G Vactec
10900 Page Boulevard
St. Louis, Missouri 63132
(314) 423-4900

Custom, commercial optoelectronic components for street light controls, television brightness controls and slide projectors. Photodiodes used in smoke dectors, cameras and medical and chemical instruments. Sensing devices used in photocopiers, computer peripherals, and industrial controls.

EG&G Alutech
132 Sykes Road
Fall River, Massachusetts 02720
(508) 672-2212

Extruded aluminum products, heat sinks for dissipation of heat from electronic components and systems.

EG&G Power Systems Operations
1330 East Cypress Street
Covina, California 91724
(818) 967-9521

Power supply and switch mode power units from military and industrial use.

EG&G Frank Hill Associates
100 West 35th Street
Suite G
National City, California 92050
(619) 425-9841

Heat exchangers and air movers for cooling electronics equipment, primarily for military applications.

EG&G Power Systems CEA Operations
1 Aerovista Park
San Luis Obispo, California 93401
(805) 544-5454

Switching power supplies used with commercial mainframe computers, computer peripherals, microprocessor systems and AC-to-DC constant power sources, and voltage regulators.

EG&G Judson
35 Congress Street
Salem, Massachusetts

Silicon photodiodes to detect and measure light and other optical radiation.

EG&G Birtcher
4505 North Arden Drive
P.O. Box 5268
El Monte, California 91734-1268
(818) 442-2572

Printed circuit board card guides, accessories, and racks and enclosures.

EG&G Wakefield Components
60 Audubon Road
Wakefield, Massachusetts 01880
(508) 245-5900

Heat exchangers and other heat-transfer units.

EG&G Frequency Products
4914 Gray Road
Cincinnati, Ohio 45232
(513) 542-5555

Quartz crystals and high-performance crystal-based oscillators for a wide range of government and commercial satellite and telecommunications applications.

EG&G Judson (HQ)
221 Commerce Drive
Montgomeryville, Pennsylvania 18936
(215) 368-6900

Infrared and fiber-optic components -- detectors, sensors, linear arrays, dewar packages, and preamplifiers. Application of infrared materials including germanium, indium antimonide, indium aresenide, and mercury cadmium telluride.

ENVIRONMENTAL AND BIOMEDICAL TESTING SERVICES

EG&G Automotive Research
5404 Bandera Road
San Antonio, Texas 78238-1993
(512) 684-2310

Service to the automotive and petroleum industries and to the federal government by means of mobile and stationary testing of passenger cars, trucks, motorcycles, fuels, lubricants, automotive components, and vehicle emmisions.

EG&G Structural Kinematics
950 Maplelawn
Troy, Michigan 48084
(313) 643-4622

Computer-aided structural testing of automotive components (fatigue and environmental), design and manufactures mechanical test systems and supporting software.

CUSTOM SERVICES AND SYSTEMS

EG&G Florida
4109 High Point Drive
Cocoa, Florida 32926
(305) 639-3530

Management of technical operations, administrative services, utilities, facilities, and health and security services at NASA's Kennedy Space Center.

EG&G Washington Analytical Services Center
1396 Piccard Drive
Rockville, Maryland 20850
(301) 840-3000

Planning, engineering, management support to U.S. defense, energy, and space programs. Scientific instrumentation and field support on military programs being conducted by the U.S. and by foreign governments. Fire control and guidance systems, software development, shipboard systems development and testing.

EG&G Special Products Security Systems
2440 Alamo, S.E.
Albuquerque, New Mexico
(505) 243-2889

Design, engineering and installation of high-technology electronic security systems for government and industrial sites. Management services for risk assessment, avoidance/mitigation analysis, crisis procedures, and training.

EG&G Electronic Components
35 Congress Street
Salem, Massachusetts 01970
(508) 745-3200

High-reliability electronic components (thyratrons, sprytrons, krytrons, spark gaps, and over-voltage gaps) and associated assemblies for defense and energy programs.

EG&G Special Projects
821 Grier Drive
Las Vegas, Nevada 89119

Technical and field support to Department of Defense agencies.

DEPARTMENT OF ENERGY SUPPORT

EG&G Idaho
1955 Fremont Street
P.O. Box 1625
Idaho Falls, Idaho 83415
(208) 526-0111

Support to nuclear and non-nuclear programs at the Idaho National Engineering Laboratory. Management and operation of facilities for research and development in reactor safety, materials irradiation, fusion safety, and nuclear-waste management.

EG&G Energy Measurements
316 East Atlas Circle
P.O. Box 1912
Las Vegas, Nevada 89125
(702) 295-5511

Technical and scientific support in nuclear weapons effects testing and in non-nuclear energy programs. Airborne radiation surveillance an dremote sensing.

EG&G Reynolds Electrical & Engineering Co., Inc.
2501 Wyandotte Street
P.O. Box 98521
Las Vegas, Nevada 89102
(702) 295-3379

Management and support functions and DOE's Nevada Test Site, and road construction and maintenance, nuclear-waste management, large-diameter and conventional drilling, mining and tunneling, radiation monitoring, medical and health care, communications, occupational safety, fire protection, and dosimetry and fall-out research.

INVESTMENTS

EG&G Ventures
700 East El Camino Real
Suite 270
Mountain View, California 94040
(415) 967-2822

A private business development organization emphasizing venture capital type investments in seeking above-average capital appreciation through marketable and non-marketable securities, common and preferred stocks in small technology companies, venture capital limited partnerships, and other business entities.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
Mail Stop 45-02-09 P. O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: EGG

Number of Employees:

1989	30,000	1986	23,000
1988	25,000	1985	23,000
1987	23,000		

Plant Footage:

1989	N.A.	1986	N.A.
1988	4,425,000 sq. ft.	1985	N.A.
1987	4,100,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales ‡	Net Income
1989	$ 1,650,158,000	$ 69,850,000
1988	1,406,280,000	68,657,000
1987	1,264,843,000	57,541,000
1986	1,190,288,000	47,948,000
1985	1,197,808,000	59,495,000

	No. of Com. Shares +	Earn. per Share +
1989	69,850,000	$ 2.40
1988	68,657,000	2.30
1987	57,541,000	1.92
1986	47,948,000	1.61
1985	N.A.	2.03

N.A. - Not Available.
‡ Includes contract revenues.
+ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Instruments	$ 165,169,000	$ 150,680,000
Components	231,091,000	221,879,000
Technical services	280,517,000	234,328,000
Aerospace	120,294,000	120,066,000
Defense	241,614,000	235,619,000
Dept. of energy support	611,473,000	443,708,000
Total	$ 1,650,158,000	$ 1,406,280,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.68	—	—
1988	0.60	—	
1987	0.56	—	—
1986	0.52	—	—
1985	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 348,987,000	$ 5.00
1983	332,347,000	4.84
1987	285,879,000	5.24
1986	247,914,000	5.17
1985	211,932,000	—

Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Net sales & contract revenues	$ 1,650,158	$ 1,406,280
Cost of sales	1,371,915	1,138,936
Expenses	179,850	169,334
Other expense (income)	(1,393)	624
Income before taxes	$ 99,786	$ 97,386
Income taxes	29,936	28,729
Net Income	$ 69,850	$ 68,657

* Included in Costs and Expenses, Depreciation and Amortization: $25,536,000 in 1989 and $24,626,000 in 1988.

Assets
(000's)

As of	12/31/89	1/1/89
Cash & cash equiv.	$ 28,581	$ 41,949
Accts. receiv., net	237,489	201,803
*Inventories	116,976	100,861
Other curr. assets	24,303	19,767
Current Assets	$ 407,349	$ 364,380
investments	38,968	62,833
#Fixed assets	73,050	68,437
Intangibles & other assets	124,036	43,613
Total Assets	$ 643,403	$ 539,263

Liabilities
(000's)

Short-term debt	$ 104,531	$ 34,182
Accts. payable	51,985	50,960
Accruals	99,646	88,085
Curr. Liabilities	$ 256,162	$ 173,227
Long-term debt	8,859	14,843
Deferred inc. taxes	3,573	8,780
Other liabilities	25,822	10,066
+Common stock	30,051	30,052
Add. paid-in capital	5,728	5,994
Retained earnings	345,429	298,166
Cum. trans. adjust.	2,095	(571)
Treasury stock	(34,316)	(1,294)
Total Liabilities & Shareholders' Equity	$ 643,403	$ 539,263

+ At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.05	6.93
%Net Income to Sales	4.23	4.88
%Net Income to Equity	20.02	20.66
Debt to Equity	0.32	0.15
Working Capital	$ 151,187,000	$ 191,153,000
Current Ratio	1.59	2.10
Shareholders' Equity	$ 348,987,000	$ 332,347,000

E-H International, Inc.

696 East Trimble Road
San Jose, California 95131
(408) 435-2677

Officers: Reginald R. Kearton, chairman, chief executive & financial officer; Kenneth S. Carey, corporate secretary; John T. Sines, controller, asst. secretary & president-Mini Computer Technology, Inc..

Directors: Kenneth S. Carey, Reginald R. Kearton, James P. Roche.

Areas of Work: Through its subsidiary, Mini Computer Technology, the Company designs, manufactures and markets computer peripheral controllers which interface OEM minicomputers and microcomputers to a wide variety of disk and tape memory storage devices; also designs, manufactures and markets ruggedized 5-1/4 inch Winchester disks, and solid state SMD/E emulating mass memory disks.

Subsidiary:

Mini Computer Technology, Inc.
696 East Trimble Road
San Jose, California 95131

Transfer Agent(s):

Bank of America
55 Hawthorne Street, 8th Floor
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Number of Employees:

1988	20
1987	16
1986	21
1985	N.A.
1984	238

Plant Footage:

1988	10,000 sq. ft.
1987	8,000
1986	8,000
1985	N.A.
1984	83,950

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income †
1988	$ 2,167,000	$ (191,000)
1987	1,898,000	(493,000)
1986	1,161,000	(2,970,000)
1985	1,808,000	(1,579,000)
1984	2,515,000	2,222,000

	No. of Com. Shares #	Earn. per Share †#
1988	4,302,000	$ —
1987	4,302,000	—
1986	3,880,000	—
1985	3,243,000	—
1984	3,511,000	0.69

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $220,000 in 1986.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ (2,377,000) †	$ —
1987	(2,186,000) †	—
1986	(1,693,000)	—
1985	791,000	0.24
1984	2,358,000	0.67

(Deficiency)
† After allowing for preferred stock at stated value.
# Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Sept. 30	1988	1987
Net revenues	$ 2,167	$ 1,898
Cost of revenues	944	922
Expenses	1,209	1,238
Interest expense	205	99
Loss-cont. oper.	$ (191)	$ (361)
Loss discont. oper.	—	(132)
Net Loss	$ (191)	$ (493)

* Included in Costs and Expenses, Depreciation and Amortization: $95,000 in 1988 and $126,000 in 1987.

Assets
(000's)

As of Sept. 30	1988	1987
Cash	$ 45	$ 34
Receiv. net	348	145
*Inventories	97	108
Prepaid expenses	33	13
Notes receivable	—	104
Receiv. from officer	5	—
Current Assets	$ 528	$ 404
#Fixed assets	92	149
Other assets	10	37
Intangibles	121	152
Total Assets	$ 751	$ 742

Liabilities
(000's)

Bank overdraft	$ 35	$ 35
Notes payable & long-term debt. curr.	52	62
Accts. payable	854	684
Accrued payroll	51	35
Accrued expenses	234	218
Curr. Liabilities	$ 1,226	$ 1,034
Long-term debt	675	678
Net liab. of discont. oper.	373	362
+Preferred stock	854	854
++Common stock	5,394	5,394
Accumulated deficit	(7,771)	(7,580)
Total Liabilities & Shareholders' Equity	$ 751	$ 742

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 10% redeemable convertible.
++ No par value.

EIP Microwave, Inc.

3991 MacArthur Blvd., Suite 225
Newport Beach, California 92660
(714) 724-1666

Officers: John F. Bishop, chairman of the board & treasurer; Jonathan W. Clem, v.p.-finance and administration & asst. secretary; Robert W. Austin, v.p. & general manager.

Directors: John F. Bishop, Mark K. Howlett, J. Bradford Bishop, Robert D. Johnson, John C. Metzger, James J. Shelton, J. Sidney Webb.

Areas of Work: Develops, manufactures and markets electronic test instrumentation, including automatic microwave frequency counters and signal sources, for the defense and telecommunications industries.

Joint Venture:

EIP/Cushman, Inc. (50% owned)

Transfer Agent(s):

First Interstate Bank
Stock Transfer Department
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EIPM (NASDAQ)

N.A. - Not Available.

Sales & Earnings

	Net Sales ‡	Net Income +
1989	$ 13,762,000	$ 771,000
1988	11,321,000	(1,552,000)
1987	18,826,000	310,000
1986	20,163,000	361,000
1985	20,293,000	759,000

	No. of Com. Shares	Earn. per Share +#
1989	2,176,535	$ 0.35
1988	2,183,035	—
1987	2,190,535	0.14
1986	2,183,187	0.16
1985	2,182,339	0.34

(Loss)
‡ Of continuing operations only.
+ Including extraordinary gain of $48,000 ($0.02 per share) in 1986.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	
1987	0.12	—	—
1986	0.12	—	—
1985	0.12	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 4,911,000	$ 2.26
1988	4,426,000	2.03
1987	6,289,000	2.87
1986	6,217,000	2.85
1985	6,137,000	2.81

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 13,762,000	$ 11,321,000
Cost of sales	7,100,000	6,530,000
Charge-realignment of resour.	1,050,000	—
Expenses	5,597,000	6,920,000
Interest expense (income)	(18,000)	87,000
Inc. (loss) bef. taxes	$ 33,000	$ (2,216,000)
Income taxes (credit)	10,000	(664,000)
Cum. effect of acct. change	(748,000)	—
Net Income (Loss)	$ 771,000	$ (1,552,000)

* Included in Costs and Expenses, Depreciation and Amortization: $894,000,000 in 1989 and $1,129,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 2,025,000	$ 58,000
Accts. receiv., net	1,739,000	2,830,000
*Inventories	1,489,000	2,922,000
Prepaid expenses	88,000	101,000
Current Assets	$ 5,341,000	$ 5,911,000
#Fixed assets	1,162,000	2,148,000
Invest. in 50%-owned co.	87,000	123,000
Other assets	28,000	28,000
Total Assets	$ 6,618,000	$ 8,210,000

Liabilities

Long-term debt, curr.	$ —	$ 944,000
Accounts payable	405,000	453,000
Accruals	926,000	779,000
Income taxes	361,000	648,000
Curr. Liabilities	$ 1,692,000	$ 2,824,000
Long-term debt	—	458,000
Deferred income taxes	—	471,000
Deferred gain on sale	15,000	31,000
+ Common stock	22,000	22,000
Add. paid-in capital	777,000	779,000
Retained earnings	4,112,000	3,625,000
Total Liabilities & Shareholders' Equity	$ 6,618,000	$ 8,210,000

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income before Taxes to Sales	0.24	—
%Net Income to Sales	5.60	—
%Net Income to Equity	15.70	—
Sales to Inventories	9.24	3.87
Debt to Equity	—	0.32
Working Capital	$ 3,649,000	$ 3,087,000
Current Ratio	3.16	2.09
Shareholders' Equity	$ 4,911,000	$ 4,426,000

Eldec Corporation

16700 13th Avenue West
P.O. Box 100
Lynnwood, Washington 98046-0100
(206) 743-1313
FAX: (206) 743-8234

Officers: Max E. Gellert, chairman of the board & chief executive officer; Bruno Strauss, vice chairman; Thomas K. Brown, president & chief operating officer; Harold R. Grimm, sr. v.p.-Aircraft Systems Division; Richard G. Behrens, v.p.-customer relations; Robert A. Brown, v.p.-central technology; Robert J. Concannon, v.p.-Monitor and Control Division; Phillip H. Lorenzen, v.p., finance, secretary & treasurer; Richard N. Simmons, v.p.-central services; John H. Vicklund, v.p.-human resources; H. Bruce Faires, v.p.-business development & marketing; Dan A. Schimelpfenig, v.p.-Power Conversion Division.

Directors: Max E. Gellert, chairman; Thomas K. Brown, Donald W. Close, Richard E. Engebrecht, Robert J. Gellert, Lawrence L. Mayhew, Glenn M. Mueller, Bruno Strauss.

Areas of Work: Custom designs and manufactures electronic and electromechanical products for aerospace, defense and industrial applications. Principal products include proximity sensing systems for commercial and military aircraft, and custom power supplies for U.S. military aircraft.

Divisions:

Power Conversion Division
Monitor and Control Division
Sensing Systems Division

Transfer Agent(s):

First Interstate Bank Ltd.
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELDC (NASDAQ)

Number of Employees:

1989	1,600	1987	1,600
1988	1,500		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 110,410,000	$ 5,619,000
1989	97,647,000	10,748,000
1988	92,466,000	5,877,000
1987	89,927,000	5,528,000
1986	76,111,000	4,653,000

	No. of Com. Shares	Earn. per Share ‡
1990	5,455,441	$ 1.02
1989	5,414,755	2.00
1988	5,181,606	1.10
1987	5,159,556	1.07
1986	4,413,521	1.05

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Manufacturing	$ 99,279,000	$ 84,154,000
Engineering	11,131,000	13,493,000
Total	$ 110,410,000	$ 97,647,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	1.00	—	

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 61,199,000	$ 11.22
1989	55,252,000	10.20
1988	49,050,000	9.47
1987	43,101,000	8.35
1986	29,189,000	6.61

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended	3/25/90	3/26/89
Net sales	$ 110,410	$ 97,647
Cost of sales	65,481	57,803
Expenses:		
Res. & develop.	6,296	5,446
Selling	6,092	5,216
Gen. & adm.	24,407	21,678
Interest expense	1,165	1,218
Interest income	(751)	(735)
Share of joint venture loss	244	103
Income before taxes	$ 7,476	$ 6,918
Income taxes	2,509	2,332
Inc. - cont. oper.	$ 4,967	$ 4,586
Inc. - discont. oper.	652	6,162
Net Income	$ 5,619	$ 10,748

* Included in Costs and Expenses, Depreciation and Amortization: $4,031,000 in 1990 and $3,424,000 in 1989.

Assets
(000's)

As of	3/25/90	3/26/89
Cash & cash invest.	$ 6,390	$ 7,788
Accts. receiv., net	24,219	19,503
Contract eng. in process	4,963	3,920
*Inventories	23,164	21,207
Deferred inc. taxes	1,013	1,424
Other curr. assets	754	553
Current Assets	$ 60,503	$ 54,395
#Fixed assets	32,884	30,492
Invest. in unconsol. subsid.	798	1,042
Total Assets	$ 94,185	$ 85,929

Liabilities
(000's)

Long-term debt, curr.	$ 4,728	$ 703
Accts. payable	2,854	3,450
Adv. from cust.-uncompleted contracts	2,362	746
Accrued compensation	9,557	8,106
Est. fut. warranty costs	1,465	1,078
Income taxes	1,491	709
Other accrued taxes	1,211	1,196
Curr. Liabilities	$ 23,668	$ 15,988
Long-term debt	4,571	9,299
Deferred inc. taxes	3,787	4,645
Other liabilities	960	745
+Common stock	273	271
Add. paid-in capital	11,052	10,726
Retained earnings	49,874	44,255
Total Liabilities & Shareholders' Equity	$ 94,185	$ 85,929

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Net Income to Equity	17.56	19.45
Sales to Inventories	4.77	4.60
Debt to Equity	0.15	0.18
Working Capital	$ 36,835,000	$ 38,407,000
Current Ratio	2.56	3.40
Shareholders' Equity	$ 61,199,000	$ 55,252,000

Electrohome Limited

809 Wellington Street, North
Kitchener, Ontario N2G 4J6 Canada
(519) 744-7111
FAX: (519) 749-3139

Officers: J.A. Pollock, chairman of the board, president & chief executive officer; W.D. McGregor, v.p.-Electrohome & pres.-Electrohome Communications; J.G. Gingerich, v.p.-finance; W.M. Nobbs, v.p.-Electrohome & group v.p.-Electronics; J.R. Boehmer, dir.-human resources; R.D. Bolden, secretary & asst. treasurer.

Directors: J.A. Pollock*, chairman; Barbara L. Steele, G.S. Dembroski*, W.A. Moeser, R.J. Collins-Wright*, D.T. Wright*, W.A. Bean, Thomas H. Thomson, Z. D. Simo.

* Member of the Executive Committee

Electrohome Limited

Areas of Work: Manufactures industrial electronics products, including data display monitors, professional color and black-and-white video surveillance monitors, high resolution color monitors, color computer graphics video displays, custom video displays, large screen monochrome and color data/graphics video displays, and single- and double-sided printed circuit boards. Other industrial products include sub-fractional horsepower motors, packaged motor products, and metal stamping and fabricating. Also engaged in television advertising, television commercial production, radio advertising, radio commercial production and the production of "video only" commercials.

Division:

Electronics Division
Sunwapta Broadcasting
CAP Communications

Transfer Agent(s):

Montreal Trust Company (common shares)
Toronto, Montreal & Winnipeg, Canada

National Trust Company Limited (preferred shares)
Toronto, Montreal, Winnipeg & Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: EL

Number of Employees:

1989	1,666	1986	2,185
1988	1,715	1985	2,190
1987	1,958		

Sales & Earnings

	Net Sales +	Net Income #
1989	$ 178,500,000	$ 67,000
1988	162,500,000	2,197,000
1987	150,200,000	(5,280,000)
1986	160,600,000	(1,872,000)
1985	154,400,000	3,988,000

	No. of Com. Share ‡	Earn. per Share #‡
1989	5,478,000	$ 0.01
1988	5,463,000	0.40
1987	5,430,000	—
1986	5,427,000	—
1985	5,409,000	0.73

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $4,722,000 ($0.87 per share) in 1988, $1,387,000 ($0.26 per share) in 1985 and extraordinary loss of $363,000 in 1987.
‡ Based on the weighted average number of Class-X, Class-Y, and common shares outstanding.

Revenues by Line of Business

	1989	1988
Electronics	$ 73,861,000	$ 74,032,000
Communications	62,565,000	51,414,000
Total	$ 136,426,000	$ 125,446,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.05	—	—
1988	0.10	—	
1987	0.10	—	—
1986	0.10	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 27,892,000	$ 5.09
1988	28,351,000	5.14
1987	26,569,000	4.84
1986	32,444,000	5.93
1985	34,822,000	6.39

‡ After allowing for preferred stock at par value.

Income Account
(000's)

Year ended	12/29/89	12/30/88
Net sales	$ 136,426	$ 125,446
Cost of sales & expenses	117,369	105,743
Res. & develop.	4,364	4,335
Depreciation and amortization	4,303	4,111
Interest expense	6,759	4,961
Royalty income	(574)	(619)
Eq. in inc. of assoc. co.	(174)	—
Inc. bef. taxes	$ 4,379	$ 6,915
Income taxes	578	3,326
Inc. - cont. oper.	$ 3,801	$ 3,589
Loss - discont. oper.	(3,734)	(6,114)
Net Income (Loss)	$ 67	$ (2,525)
Extraord. gain	—	4,722
Net Income (Loss) & extraord. gain	$ 37	$ 2,197

Assets
(000's)

As of	12/29/89	12/30/88
Accts. receiv., net	$ 29,898	$ 27,245
*Inventories	12,582	13,219
Film & prog. rights	5,564	6,155
Prepaid expenses	3,723	2,868
Current Assets	$ 51,767	$ 49,487
#Fixed assets	29,023	23,410
Deferred income taxes	748	828
Broadcast license	31,758	31,758
Intangibles	1,286	1,348
Other assets	5,110	4,009
Net assets-discont. oper.	16,825	19,727
Total Assets	$ 136,517	$ 130,567

Liabilities
(000's)

Long-term debt, curr.	$ 1,861	$ 324
Accts. pay. & accruals	19,709	17,413
Bank advances	19,985	17,351
Inc. taxes payable	—	490
Curr. Liabilities	$ 41,555	$ 35,578
Long-term debt	59,538	57,386
Net liab.-discont. oper.	6,862	8,836
+Preferred stock	670	710
++Class X & Class Y	6,868	6,774
Retained earnings	21,024	21,283
Total Liabilities & Shareholders' Equity	$ 136,517	$ 130,567

* At lower of cost & replacement cost or net realizable value.
# Less accumulated depreciation.
+ $100 par value; 5.75% cumulative.
++ No par value.

Statistical Summary

Sales to Inventories	10.84	9.49
Debt to Equity	2.15	2.01
Working Capital	$ 10,212,000	$ 13,909,000
Current Ratio	1.25	1.39
Shareholders' Equity	$ 28,562,000	$ 28,767,000

Electromagnetic Sciences, Inc.

P.O. Box 7700
660 Engineering Drive, Technology Park/Atlanta
Norcross, Georgia 30092
(404) 448-5770
FAX: (404) 263-8130

Officers: John E. Pippin, chairman of the board & chief executive officer; Thomas E. Sharon, president & chief operating officer; Joseph W. Simon, sr. vice president; William K. Alverson, vice president; Bruce R. Savage, vice president; Gordon R. Harrison, vice president; W. Douglas McDowell, vice president; Don T. Scartz, v.p.-finance, treasurer & secretary; T. Gerald Hickman, vice president; C. Steve Young, vice president.

Directors: John E. Pippin, chairman; Henry A. Bronner, William L. Davenport, Jerry H. Lassiter, John B. Mowell, Thomas E. Sharon, William F. Evans.

Areas of Work: Designs and produces microwave components, microwave subsystems, and radio-linked data terminals for the communications and related industries. These products are sold primarily to manufacturers of communications, radar, electronic countermeasures, surveillance, or similar electronic systems, and to companies using computer-controlled materials handling systems.

Subsidiaries:

Gamma-f Corporation
Torrance, California
Uses electroforming techniques to fabricate components for microwave systems.

LXE Inc.
Norcross, Georgia
Supplies radio-linked data communications systems to the materials handling market.

L.J. Ricardi, Inc.
Torrance, California
Engineering consulting firm.

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELMG (NASDAQ)

Number of Employees:

1989	760	1987	860
1988	700	1986	750

Plant Footage:

1989	329,000 sq. ft.	1986	277,000
1988	329,000	1985	177,000
1987	299,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 55,584,609	$ 1,897,421
1988	67,080,416	7,487,156
1987	65,172,629	6,806,765
1986	47,952,000	5,478,592
1985	33,344,294	4,291,278

	No. of Com. Shares #	Earn. per Share #
1989	7,102,000	$ 0.27
1988	7,116,486	1.05
1987	7,309,886	0.93
1986	7,290,754	0.75
1985	7,150,824	0.60

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 45,266,807	$ 6.37
1988	43,369,386	6.09
1987	35,544,750	4.86
1986	30,159,778	4.14
1985	24,465,075	3.42

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account*

Year ended Dec. 31	1989	1988
Net sales	$ 55,584,609	$ 67,080,416
Cost of sales	37,678,327	39,455,368
Expenses	15,779,680	16,012,250
Interest income	(1,035,714)	(442,997)
Interest expense	233,895	148,639
Income before taxes	$ 2,928,421	$ 11,907,156
Income taxes	1,031,000	4,420,000
Net Income	$ 1,897,421	$ 7,487,156

* Included in Costs and Expenses, Depreciation and Amortization: $4,397,053 in 1989 and $3,772,790 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 1,260,789	$ 996,123
Marketable securities	9,953,332	15,000,000
Receiv., net	15,909,619	12,191,231
*Inventories	5,483,745	4,001,153
Def. inc. tax benefit	420,000	450,000
Current Assets	$ 33,027,485	$ 32,638,509
#Fixed assets	30,245,206	29,024,074
Other assets	1,142,199	780,937
Total Assets	$ 64,414,890	$ 62,443,520

Liabilities

	1989	1988
Long-term debt, curr.	$ 161,194	$ 143,652
Accts. payable	2,775,835	2,002,603
Income taxes	58,993	697,783
Accrued compensation	2,744,061	3,396,550
Accrued pension	433,000	—
Accrued commissions	214,736	260,332
Other curr. liabilities	519,140	459,896
Curr. Laibilities	$ 6,906,959	$ 6,960,816
Long-term debt	8,458,283	8,619,477
Deferred inc. taxes	3,366,217	3,173,217
Other liabilities	416,624	320,624
+Common stock	707,662	707,662
Add. paid-in capital	10,123,774	10,123,774
Retained earnings	34,435,371	32,537,950
Total Liabilities & Shareholders' Equity	$ 64,414,890	$ 62,443,520

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.27	17.75
%Net Income to Sales	3.41	11.16
%Net Income to Equity	4.19	17.26
Sales to Inventories	10.14	16.77
Debt to Equity	0.19	0.20
Working Capital	$ 26,120,526	$ 25,677,693
Current Ratio	4.78	4.69
Shareholders' Equity	$ 45,266,807	$ 43,369,386

Electronic Associates, Inc.

185 Monmouth Parkway
West Long Branch, New Jersey 07764
(201) 229-1100
FAX: (201) 229-1329

Officers: William R. Smart, chairman of the board; Robert G. Finney, president & chief exec. officer; Louis J. Tedeschi, v.p.-finance, treasurer & secretary; James P. Tarlton, v.p.-field service; Otis C. Wright, Jr , v.p.-simulation computers; Gary L. Long, v.p.-contract mfg.; Clinton C. Plietz, corp. controller.

Directors: Robert G. Finney, James C. Castle, John L. Helm, Bruce G. Coe, Hilliard W. Paige, William R. Smart, Kenneth P. Johnson, Fred L. Martinson.

Areas of Work: Develops and manufactures computer systems used in dedicated and general-purpose simulation applications for training and advanced research and development studies. Products and services include computers used for real-time simulation contract manufacturing.

Divisions and Subsidiaries:

EAI-Electronic Associates (Japan), Inc.
9th Mori Building
1-3 Shiba-Atago-cho-, Minato-Ku
Tokyo, Japan 105

Transfer Agent(s):

Manufactures Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: EA

Number of Employees:

1989	434	1986	408
1988	412	1985	492
1987	451		

Plant Footage:

1989	169,000 sq. ft.	1986	174,000
1988	174,000	1985	174,000
1987	174,000		

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 44,660,000	$ 570,000
1988	42,709,000	153,000
1987	32,556,000	222,000
1986	28,130,000	553,000
1985	33,707,000	1,499,000

	No. of Com. Shares	Earn. Per Share †#
1989	2,862,640	$ 0.20
1988	2,862,640	0.05
1987	2,862,640	0.08
1986	2,862,640	0.19
1985	2,845,565	0.53

+ Includes income from sales and service.
† Including extraordinary gain of $1,291,000 ($0.46 per share) in 1985.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1989	1988	1987	1986
Contract manufacturing	36 %	34 %	27 %	19 %
Field service	33	32	30	34
Simulation computers	31	34	43	47
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 9,589,000	$ 3.35
1988	8,881,000	3.10
1987	8,817,000	3.08
1986	10,309,000	3.60
1985	9,292,000	3.27

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Sales & service	$ 44,660	$ 42,709
Cost of sales & service	33,119	33,123
Expenses	9,758	8,682
Cost of patent settle.	—	327
Curr. translation	122	(14)
Interest income	(61)	(40)
Interest expense	558	448
Other expense (income)	11	(93)
Inc. bef. taxes	$ 1,153	$ 276
Income taxes	583	123
Net Income	$ 570	$ 153

* Included in Costs and Expenses, Depreciation: $749,000 in 1989 and $764,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 777	$ 1,553
Marketable securities	1,000	500
Receivables, net	7,585	10,575
*Inventories	6,401	6,354
Prepaid expenses	277	189
Current Assets	$ 16,040	$ 19,171
#Fixed assets	2,985	2,858
Other assets	530	202
Total Assets	$ 19,555	$ 22,231

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 1,355	$ 1,328
Notes payable	—	500
Accts. payable	2,344	4,825
Accruals	3,090	2,330
Taxes payable	427	320
Curr. Liabilities	$ 7,216	$ 9,303
Long-term debt	1,842	2,351
Oblig. under cap. leases	91	148
Accrued retire. benefits	817	1,042
Accrued cost of patent settle.	—	506
+ Common stock	2,863	2,863
Add. paid-in capital	5,228	5,090
Retained earnings	1,498	928
Total Liabilities & Shareholders' Equity	$ 19,555	$ 22,231

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.58	0.65
%Net Income to Sales	1.28	0.36
%Net Income to Equity	5.94	1.72
Debt to Equity	0.34	0.49
Working Capital	$ 8,824,000	$ 9,868,000
Current Ratio	2.22	2.06
Shareholders' Equity	$ 9,589,000	$ 8,881,000

Electronic Control Systems, Inc.

Post Office Box 2650
Fairmont, West Virginia 26554
(304) 363-8690
FAX: (304) 363-2310

Officers: Michael E. Basile, president; Robert E. Harkins, vice president; Leo F. Modi, secretary and treasurer.

Directors: Michael E. Basile, Leo F. Modi, Robert E. Harkins, William R. Newlin, Paul L. Bourdeau, Paul L. Layman.

Areas of Work: Engaged in the development, manufacture, sale and installation of industrial and commercial measuring and controlling products which regulate both power and temperature, as well as the leasing of certain commercial property.

Subsidiaries:

MiLo Technology, Inc. (83.94%-owned)
Fairmont, West Virginia
Designs and markets computer interface equipment for use in the control of, and communication in, industrial processes.

Fairmont Building and Investment Company (55% owned)

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELCS (NASDAQ)

Number of Employees:

1989	78	1986	85
1988	75	1985	85
1987	66		

Plant Footage:

1989	40,500 sq. ft.	1986	40,500
1988	40,500	1985	40,500
1987	40,500		

Sales & Earnings

	Revenues +	Net Income
1989	$ 4,580,684	$ (364,087)
1988	4,313,373	(10,693)
1987	3,594,264	(242,914)
1986	3,718,720	12,256
1985	4,799,449	266,774

	No. of Com. Shares	Earn. per Share #
1989	895,162	$ —
1988	895,689	—
1987	900,697	—
1986	900,711	0.01
1985	892,227	0.28

(Loss)
+ Includes other operating revenues.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1989	1988	1987	1986
Temp. control devices	29%	31%	35%	38%
SCR power supply devices	52	49	46	31
Alarm systems	11	12	12	19
Spare parts	8	8	7	12
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.05	—	—
1986	0.05	—	—
1985	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,600,386	$ 1.79
1988	1,950,500	2.18
1987	1,936,730	2.15
1986	2,224,702	2.47
1985	2,244,021	2.52

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 4,413,372	$ 4,176,917
Rental income	86,395	84,031
Other income	81,614	42,618
Minority interest	(697)	9,807
Total income	$ 4,580,684	$ 4,313,373
Cost of sales	3,707,253	3,090,355
Expenses	1,173,974	1,162,630
Interest expense	78,606	67,081
Loss bef. taxes	$ (379,149)	$ (6,693)
Income taxes (credit)	(15,062)	4,000
Net Loss	$ (364,087)	$ (10,693)

* Included in Costs and Expenses, Depreciation and Amortization: $81,896 in 1989 and $119,230 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	53,890	$ 87,679
Marketable securities	109,751	183,983
Accts. receiv., net	670,526	959,070
Income taxes	14,970	6,726
*Inventories	1,005,872	1,395,078
Prepaid expenses	22,070	22,450
Other curr. assets	7,619	11,489
Current Assets	$ 1,884,698	$ 2,666,475
Note receivable	—	58,159
#Fixed assets	612,390	631,859
Intangibles	—	463
Cash value - funded deferred compensation	31,134	31,134
Deferred taxes	—	3,500
Total Assets	$ 2,528,222	$ 3,391,590

Liabilities

Notes payable	$ 475,000	$ 730,000
Cap. lease oblig., curr.	—	15,727
Accts. payable	191,411	372,227
Customer deposits	—	41,499
Inc. taxes payable	—	7,500
Accruals	118,041	140,358
Other curr. liab.	10,092	3,790
Curr. Liabilities	$ 794,544	$ 1,311,020
Deferred compensation	31,134	31,134
Minority interest	102,158	98,936
+Common stock	98,036	98,036
Add. paid-in capital	1,381,940	1,381,940
Retained earnings	228,762	592,849
Treasury stock	(108,352)	(107,196)
Amts. receiv. from officers	—	(15,129)
Total Liabilities & Shareholders' Equity	$ 2,528,222	$ 3,391,590

* Materials and supplies at lower of average cost or market. Work in process and finished goods at FIFO cost, which is not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	4.39	2.99
Debt to Equity	0.30	0.38
Working Capital	$ 1,090,154	$ 1,355,455
Current Ratio	2.37	2.03
Shareholders' Equity	$ 1,600,386	$ 1,950,500

Electronic Data Systems Corporation

(A wholly owned subsidiary of General Motors Corporation)

7171 Forest Lane
Dallas, Texas 75230
(214) 661-6000
FAX: (214) 661-6146

Officers: Lester M. Alberthal, Jr., chairman of the board, president & chief executive officer; J. Davis Hamlin, sr. v.p. & chief financial officer; Paul J. Chiapparone, senior vice president; Gary J. Fernandes, senior vice president; Malcolm J. Gudis, senior vice president; Jeffrey [illegible] Heller, senior vice president; Dean Linderman, senior [illegible] dent; G. Stuart Reeves, senior vice president; J[illegible] tle, Jr., sr. v.p., general counsel & secretary; [illegible] Weynand, v.p., comptroller & treasurer; Thomas [illegible] vice president; Thomas L. Bockholt, vice presid[illegible] P. Buchanan, vice president; Ronald F. Hudler, [illegible] president; Gilbert E. Hurley, vice president; Claiborne H. Johnson, Jr., vice president; Henry E. Johnston, vice president; Glen D. Self, vice president; Robert N. Sharpe, vice president; Frank L. Stoneking, vice president; Thomas D. Streeter, vice president; Claude K. Chappelear, vice president; Larry Bryant, v.p.; J. Coley Clark, v.p.; Joseph W. Holmes, v.p.; John Muscarella, v.p.; George C. Newstrom, v.p.; Jose Ofman, v.p.; Gary Rudin, v.p..

Directors: Lester M. Alberthal, Jr., Paul Chiapparone, Gary J. Fernandes, Malcolm J. Gudis, J. Davis Hamlin, Jeffrey M. Heller, William E. Hoglund, Dean Linderman, John E. Mischi, Robert T. O'Connell, G. Stuart Reeves, Lloyd E. Reuss, Robert J. Schultz, F. Alan Smith, Roger B. Smith, Robert C. Stempel.

Areas of Work: Designs, installs and operates business information and communications systems.

Subsidiary:

MTech Corp
Provides data processing services to financial institutions.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest*, Pacific*, Philadelphia* -- *Unlisted trading privileges.

Ticker Symbol: GME

Number of Employees:

1989	56,000	1987	44,000
1988	50,000		

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1989	$ 5,466,800	$ 435,300
1988	4,844,100	384,100
1987	4,427,700	323,100
1986	4,366,000	260,900
1985	3,442,300	189,800

	No. of Com. Shares ‡	Earn. per Share ‡
1989	238,700,000	$ 1.81
1988	243,800,000	1.57
1987	243,800,000	1.33
1986	243,800,000	1.07
1985	243,800,000	0.79

‡ Based on GM Class E Common stock outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.48	—	2-for-1
1988	0.34	—	
1987	0.26	—	—
1986	0.20	—	—
1985	0.10	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 1,763,600	$ 7.39
1988	1,403,900	5.76
1987	1,053,500	4.32
1986	798,300	3.27
1985	530,600	2.18

‡ Based on GM Class E Common stock outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Systems & other contracts	$ 5,373,500	$ 4,744,600
Interest & other income	93,300	99,500
Total revenues	$ 5,466,800	$ 4,844,100
Cost of revenues	4,168,600	3,749,500
Expenses	605,200	500,000
Interest expense	12,700	5,200
Income before taxes	$ 680,300	$ 589,400
Income taxes	245,000	205,300
Net Income	$ 435,300	$ 384,100

* Included in Costs and Expenses, Depreciation and Amortization: $450,400,000 in 1989 and $438,200,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & temp. invest.	$ 400,500	$ 379,200
Marketable securities	280,700	348,400
Accts. receiv., net	551,200	419,000
Accts. receiv.-GM & subsid.	95,500	6,300
*Inventories	46,300	57,900
Prepaid expenses	83,700	128,600
Current Assets	$ 1,457,900	$ 1,339,400
#Fixed assets	1,083,100	1,076,600
Land held for invest.	119,900	106,300
Investments	778,100	479,200
Other assets	479,200	414,500
Total Assets	$ 3,918,200	$ 3,416,000

Liabilities
(000's)

Notes payable	$ 123,200	$ 84,500
Accts. payable	165,100	152,200
Accruals	557,200	518,200
Deferred revenue	356,400	329,800
Income taxes	74,100	66,800
Adv. from GM & subsid.	218,500	225,700
Curr. Liabilities	$ 1,494,500	$ 1,377,200
Notes payable	210,900	88,600
Adv. from GM & subsid.	115,500	313,300
Deferred income	—	2,400
Deferred inc. taxes	333,700	230,600
+Common stock	237,500	213,600
Retained earnings	1,526,100	1,190,300
Total Liabilities & Shareholders' Equity	$ 3,918,200	$ 3,416,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.44	12.17
%Net Income to Revenues	7.96	7.93
%Net Income to Equity	24.68	27.36
Debt to Equity	0.19	0.12
Shareholders' Equity	$ 1,763,600,000	$ 1,403,900,000

Electronics, Missiles & Communications, Inc.

Susquehanna Street Extension
P.O. Box 68
White Haven, Pennsylvania 18661-0068
(717) 443-9575
FAX: (717) 443-9257

Officers: S. Stanley Fischman, president; Robert G. Nash, v.p. & dir.-engineering; John Saul, v.p.; Perry Spooner, v.p.; H. P. Chalmers, treasurer; Martin D. Cohn, secretary; Kay Krull, asst. secretary.

Directors: Shirley Chalmers, H. P. Chalmers, S. Stanley Fischman, Leonard S. Teven.

Areas of Work: Manufactures television broadcast equipment for commercial, educational and private television systems. Principal products are low and medium power television transmitters for VHF, UHF and microwave television transmission; translators, and down-converters.

Subsidiary:

Del's Tower Service, Inc.
dba EMCEE Towers
Tower and antenna erection and repair.

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe, 11th Floor
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ECIN (NASDAQ)

Number of Employees:

1989	75	1986	65
1988	62	1985	65
1987	62		

Plant Footage:

1989	27,000 sq. ft.	1986	27,000
1988	27,000	1985	27,000
1987	27,000		

Sales & Earnings

	Net Sales	Net Income †
1989	$ 6,577,191	$ 404,024
1988	3,570,507	(828,370)
1987	5,540,602	(250,300)
1986	7,176,170	550,222
1985	3,821,491	(2,352,432)

	No. of Com. Shares	Earn. per Share †+
1989	4,146,289	$ 0.10
1988	4,107,767	—
1987	4,107,767	—
1986	4,107,771	0.13
1985	4,108,328	—

(Loss)
† Included extraordinary gains of $217,000 ($0.05 per share) in 1989 and $275,000 ($0.06 per share) in 1986.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 327,336	$ 0.08
1988	(176,688)	—
1987	651,682	0.16
1986	901,989	0.22
1985	358,112	0.09

(Deficiency)

Income Account *

Year ended March 31	1989	1988
Net sales	$ 6,577,191	$ 3,570,507
Cost of sales	4,507,883	2,719,197
Expenses:		
Selling	848,493	646,480
General & administrative	690,248	804,646
Research & development	122,049	71,079
Other expenses	180,494	157,475
Inc. (loss) bef. taxes	$ 228,024	$ (828,370)
Income taxes	41,000	—
Net Income (Loss)	$ 187,024	$ (828,370)
Extraord. gain	217,000	—
Net Income (Loss) & extraord. gain	$ 404,024	$ (828,370)

* Included in Costs and Expenses, Depreciation: $95,698 in 1989 and $109,289 in 1988.

Assets

As of March 31	1989	1988
Cash & cash equiv.	$ 258,093	$ 328,262
Cert. of deposit	100,000	100,000
Accts. receiv., net	1,042,203	469,295
*Inventories	1,758,568	1,397,500
Prepaid expenses	44,154	61,031
Current Assets	$ 3,203,018	$ 2,356,088
#Fixed assets	500,221	521,630
Total Assets	$ 3,703,239	$ 2,877,718

Liabilities

Notes payable-bank	$ 100,000	$ —
Notes payable	—	200,000
Long-term debt, curr.	270,382	293,847
Accts. payable	1,044,220	512,659
Accruals	262,815	152,926
Cust. deposits	292,858	340,555
Curr. Liabilities	$ 1,970,275	$ 1,499,987

Long-term debt		1,080,628		1,329,419
Notes pay.-rel. parties		325,000		225,000
+ Common stock		69,546		68,904
Add. paid-in capital		3,383,520		3,301,909
Ret. earnings (deficit)		(3,125,730)		(3,529,754)
Treasury stock		—		(17,747)
Total Liabilities & Shareholders' Equity	$	3,703,239	$	2,877,718

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.01 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales		3.47		—
%Net Income to Sales		2.84		—
%Net Income to Equity		57.14		—
Sales to Inventories		3.74		2.55
Debt to Equity		5.43		—
Working Capital	$	1,232,743	$	856,101
Current Ratio		1.63		1.57
Shareholders' Equity (Deficiency)	$	327,336	$	(176,688)

Eli Lilly and Company

Lilly Corporate Center
Indianapolis, Indiana 46285
(317) 276-2000
FAX: (317) 276-2095

Officers: Richard D. Wood, chairman of the board, president & chief executive officer; J. B. King, v.p. & general counsel; Vaughn D. Bryson, exec. v.p.; Eurelio M. Cavalier, group v.p., sales-Pharmaceutical Division; James M. Cornelius, v.p.-finance & chief financial officer; Edgar G. Davis, v.p.-Corporate Affairs Division; Earl B. Herr, Jr., exec. v.p.; Joseph C. Cook, Jr., v.p.-production operations & engineering; E. Walter Lange, group v.p.-marketing planning and development, Pharmaceutical Division; Mel Perelman, exec. v.p. & president-Lilly Research Laboratories; Eugene L. Step, exec. v.p. & president-Pharmaceutical Division; John G. Whitney, vice president-Lilly Research Laboratories; W. Leigh Thompson, Jr., group v.p.-Lilly Research Laboratories; Robert H. Williams, v.p.-environmental affairs, quality control & quality assurance; Sidney A. Taurel, president-Eli Lilly International Corporation; Thomas L. Emmick, v.p.-Lilly Research Laboratories; Stephen A. Stitle, v.p.-human resources; Ronald A. Matricaria, pres.- medical instrument & diagnostic systems div..

Directors: Richard D. Wood*, chairman of the board; Steven C. Beering, Earl B. Herr, Jr.*, Mel Perelman*, Eugene L. Step*, Alva O. Way, J. Clayburn La Force, Jr., Vaughn D. Bryson*, James M. Cornelius*, Randall L. Tobias, Karen N. Horn, Ben F. Love, James W. Cozad.

* Member of the Executive Committee

Areas of Work: Engaged in the discovery, development, manufacture and sale of products in two principal industries: human health and agriculture. The human health segment includes pharmaceuticals, electronic medical instrument systems, implantable cardiac pacemakers, empty gelatin capsules, packaging products, and bulk chemicals. Pharmaceuticals include analgesics, an antiarthritic agent, antibiotics, antidiabetic agents, hematinics, hormones, oncolytic agents, sedatives, vitamins, and other pharmaceuticals for human use. Electronic medical instrument systems include products for measuring patient temperatures and for administering and monitoring intravenous fluid infusions. The agriculture segment includes agricultural chemicals and animal health products. Agricultural chemicals are principally herbicides for controlling weeds in various crops. Animal health products include a nonhormonal cattle feed additive that improves feed efficiency, various antibiotics for promoting feed efficiency and growth in swine, and anti-coccidial agent for use in broilers and layer replacements, and other products for livestock, poultry, and pet animals.

Electronics Operations:

IVAC Corporation
P.O. Box 85335
San Diego, California 92138-5335
(619) 458-7000

Worldwide manufacturing and marketing of electronic medical instrument systems, including intravenous infusion devices and electronic thermometers.

Cardiac Pacemakers, Inc.
4100 Hamline Avenue North
St. Paul, Minnesota 55112-5798

Engaged in the business of designing, developing, manufacturing, and marketing implantable cardiac, external and implantable defibrillators, and cardiac monitors.

Physio-Control Corporation
11811 Willows Road
Redmond, Washington 98052-1013
(206) 867-4000

Manufactures and distributes electronic products used in cardiovascular medicine, including defibrillators/monitors, peritoneal dialysis equipment, blood pressure monitoring devices, ultrasonic Doppler probes, in-vivo oximeters, and vascular implant products.

Advanced Cardiovascular Systems, Inc.
P.O. Box 58167
Santa Clara, California 95052-8167
(408) 235-3000

Designs, manufactures and markets coronary angioplasty catheter systems.

Devices for Vascular Intervention, Inc.

Develops, manufactures and markets a line of products to treat peripheral and coronary vascular disease by the removal of atherosclerotic plaque.

Joint venture:

DowElanco (40%-owned)

In combination with The Dow Chemical Company.

Transfer Agent(s):

Eli Lilly and Company
Shareholder Services Dept.
Lilly Corporate Center
Indianapolis, Indiana 46285

Stock Exchange(s): New York, Zurich, Basel, Geneva, Pacific, Toyko

Ticker Symbol: LLY (New York)

Number of Employees:

1989	28,200	1986	29,100
1988	26,700	1985	28,000
1987	25,700		

Sales & Earnings

		Net Sales + (000's)		Net Income (000's)
1989	$	4,175,600	$	939,500
1988		3,607,400		761,000
1987		3,236,100		643,700
1986		2,933,600		558,200
1985		2,510,400		517,600

	No. of Com Shares ‡		Earn. per Share ‡
1989	294,507,000	$	3.20
1988	287,374,000		2.67
1987	294,014,000		2.21
1986	289,226,000		1.94
1985	285,694,000		1.81

+ Of continuing operations only.
‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

		1989		1988
Anti-infectives	$	1,447,400	$	1,360,600
Medical instruments		697,600		592,000
Central nervous systems		574,200		394,900
Diabetic care		488,600		446,000
Animal health		337,300		335,600
Other		630,500		478,300
Total	$	4,175,600	$	3,607,400

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.35	—	2-for-1
1988	1.15	—	
1987	1.00	—	—
1986	0.90	—	—
1985	0.80	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

		Total Equity (000's)		Equity Per Share ‡
1989	$	3,757,100	$	12.76
1988		3,225,300		11.22
1987		3,042,600		10.35
1986		2,739,600		9.47
1985		2,387,700		8.36

‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31		1989		1988
Net sales	$	4,175,600	$	3,607,400
Cost of sales		1,255,800		1,125,300
Expenses:				
Research & develop.		605,400		511,600
Marketing		795,100		689,800
Gen. adm.		354,500		329,700
Other income		(165,100)		(129,700)
Income before taxes	$	1,329,900	$	1,080,700
Income taxes		390,400		319,700
Net Income	$	939,500	$	761,000

* Included in Costs and Expenses, Depreciation and Amortization: $229,300,000 in 1989 and $204,000,000 in 1988.

Assets
(000's)

As of Dec. 31		1989		1988
Cash & cash equiv.	$	323,000	$	661,200
Short-term invest.		329,000		100,300
Accts. receiv., net		732,100		687,600
Other receiv.		113,700		74,100
*Inventories		599,500		674,300
Prepaid exp.		177,100		96,200
Current Assets	$	2,274,400	$	2,293,700
# Fixed assets		1,459,000		1,162,400
Other assets		2,114,600		1,806,600
Total Assets	$	5,848,000	$	5,262,700

Liabilities
(000's)

Notes payable	$ 134,000	$ 127,000
Accts. payable	196,200	176,300
Accrued payroll	290,900	251,200
Dividends payable	115,500	92,700
Other curr. liabilities	323,100	337,700
Income taxes	269,100	256,700
Curr. Liabilities	$ 1,328,800	$ 1,241,600
Long-term debt	269,500	387,700
Deferred inc. taxes	300,400	282,400
Other liabilities	192,200	125,700
+Common stock	175,800	91,300
Add. paid-in capital	—	24,800
Retained earnings	4,065,400	3,827,400
Loan to ESOP	(122,900)	—
Curr. trans. adjust.	(53,900)	(19,300)
Treasury stock	(308,300)	(698,900)
Total Liabilities & Shareholders' Equity	$ 5,848,000	$ 5,262,700

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	31.85	29.96
%Net Income to Sales	22.50	21.10
%Net Income to Equity	25.01	23.59
Sales to Inventories	6.97	5.35
Debt to Equity	0.11	0.16
Working Capital	$ 945,600,000	$ 1,052,100,000
Current Ratio	1.71	1.85
Shareholders' Equity	$ 3,757,100,000	$ 3,225,300,000

Emerson Electric Co.

8000 West Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000
FAX: (314) 553-3527

Officers: C. F. Knight, chairman & chief executive officer; A. E. Suter, president & chief operating officer; J. J. Adorjan, vice chairman; R. W. Staley, vice chairman & chief administrative officer; J. K. Ver Hagen, vice chairman; W. C. Bousquette, exec. v.p. & chief financial officer; J. G. Berges, exec. v.p.; D.O. Gifford, exec. v.p.; H. F. Faught, sr. v.p.-technology; V. H. Heath, exec. v.p.; R. J. Novello, exec. v.p.; C. W. Groennert, v.p.-financial services; P. R. Roth, asst. treasurer; J. C. Rohrbaugh, sr. v.p.-industrial relations; I. J. Evans, sr. v.p.-corp. mfg.; W. J. Galvin, sr. v.p.-finance & controller; K. A. Lawton, v.p. & treasurer; J. F. Bradley, v.p.-procurement; A. S. Dimcoff, v.p.-consumer affairs & product safety; J. A. Harmon, v.p.-exec. compensation & administration; P. A. Roberts, v.p.-public affairs; H. J. Yopp, v.p.-tax; J. C. Killeen, v.p.-corp. sales; A. A. Gilbert, v.p.-manpower development; S. P. Cortinovis, v.p.-international; D. R. Perkins, asst. treasurer; H. M. Smith, asst. secretary; W. W. Withers, sr. v.p., secretary & general counsel.

Directors: J. A. Frates*, B. A. Schriever, L. L. Browning, Jr.*, C. F. Knight*, Eugene F. Williams, Jr.*, G. A. Lodge, L. J. Conti, V. R. Loucks, Jr., W. M. Van Cleve*, A. A. Busch, III*, J. J. Adorjan*, R. B. Horton, R. B. Loynd, J. K. Ver Hagen*, R. W. Staley*, D. C. Farrell, A. E. Suter.

* Member of the Executive Committee

Areas of Work: Government & Defense Group Airborne fire control radar systems, airborne radio navigation systems, ammunition storage and feed systems, anechoic chambers, anti-submarine warfare detection & recording systems, automatic test equipment, electronically scanned antennas, magnetic tape recorders, intrusion detection systems, metallic and non-metallic detectors, guidance & control systems, low noise antenna feeds, naval surface armament systems, power supplies, research & development, rocket systems, rocket & missile launching systems, satellite communications & telemetry validation systems & tactical navigation systems & missile antenna development.

Consumer Group
Arc welders, band saws, ceiling systems, console humidifiers, door chimes, drain cleaning equipment, drill presses, electric baseboard heat, electric heating and cooling systems, electrostatic air cleaners, gas cutting & welding equipment, hand tools, hot water dispensers, intercom systems, ladders & scaffolding, lathes, planers and shapers, plastic pipe welders, point source illumination, power chain saws, power plumbing tools, security systems, lighting interconnect systems, monofilament line lawn trimmer, pipe working tools, smoke detectors, ventilation and exhaust systems, waste disposers, hobbyist tools, automatic dishwashers, water fountain valves, woodworking benches and radial saws.

Commercial & Industrial Components and Systems Group
Air conditioning and refrigeration compressor motors, dryers, expansion valves, fan motors, solenoid control valves, appliance electric heating elements and controls, appliance motors, automation systems, belt and chain components & drives, bimetallic control devices, cams and index equipment, controlled speed drives, eddy current controls and drives, electronic variable speed drives, conveyor components, electronic power supplies, fluid flow instrumentation, fluid heat transfer systems, gears, gear motors, heating blower motors and controls, industrial electric heating elements and products, irrigation flowmeter/control systems, liquid level measurement instrumentation, machine tool drives and controls, magnetic flowmeters, mechanical couplings, metal stampings, positive displacement meters, process control instrumentation, sealed terminals, special application motors, speed reducers, thermal limit devices, turbine meters, ultrasonic meters, uninterruptible power systems, vertical pump motors and drives, aviation instrumentation, and utilities equipment and tools.

Divisions and Subsidiaries:

Alco Controls Division
P.O. Box 12700
St. Louis, Missouri 63141
(314) 432-6300

Brooks Instrument Division
407 W. Vine Street
Hatfield, Pennsylvania 19440
(215) 368-2000

Commercial Cam Division
400 N. Ashland
Chicago, Illinois 60622
(312) 243-6900

Day-Brite Lighting Division
1015 S. Green Street
Drawer 1687
Tupelo, Mississippi 38801

Fusite Division
6000 Fernview Avenue
Cincinnati, Ohio 45212
(513) 731-2020

Louisville Ladder Division
1161 Algonquin Parkway
Louisville, Kentucky 40208
(501) 636-2811

Ridge Tool Division
400 Clark Street
Elyria, Ohio 44035
(216) 323-5581

Special Products Division
5657 Campus Parkway
Hazelwood, Missouri 90051

Therm-O-Disc
1320 S. Main Street
Mansfield, Ohio 44907
(419) 756-5911

U.S. Electrical Motors Division
Old Gate Lane
Milford, Connecticut 06460
(203) 878-9311

White-Rodgers Division
9797 Reavis Road
St. Louis, Missouri 62123
(314) 631-9797

Edwin L. Wiegand Division
7500 Thomas Boulevard
Pittsburgh, Pennsylvania 15208
(412) 242-6400

Electronics & Space Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Specialty Motor Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Electric GmbH
Division Gustav Benz
Heerstrasse 111
D7050 Waiblingen, Postfact 1229, West Germany

Emerson Electric Canada Limited
P.O. Box 150, Highway 48
Markham, Ontario, Canada
(416) 297-1030

ACDC Electronics Division
401 Jones Road
Oceanside, California 92054

Emerson Electric Industrial Controls Division
P.O. Box 1679
Santa Ana, California 92702

Harris-Calorific Division
5501 Cass Avenue
Cleveland, Ohio 44102

ENI, Inc.

Emerson Finance Company

SWECO, Inc.

Southwest Mobile Systems Corp.

Western Forge

Vacco Industries

Emerson Contract Division

Xomox
Manufactures valves.

Emerson Japan, Ltd.

Rittenhouse Division

Rosemount Inc.
Develops and manufactures process control instrumentation and systems.

McPhilben Lighting Division

Appleton Electric Company

Rantec Division

Hazeltine Corporation
Commack, New York 11725
(516) 462-5100
Designs, develops and manufactures government products consisting of air traffic control equipment; electronic displays for defense and other government purposes, including displays for use in early warning, command and control systems, tactical displays and digital video display systems; antisubmarine warfare equipment, aircraft identification (IFF) systems, modems for communications, microwave landing systems and computer-based training systems.

Branson, Inc.
Produces ultrasonic products for cleaning, metal testing and plastic welding.

Beckman Industrial, Inc.
Manufacturer of electronic components, test equipment and process control instrumentation.

Hurst, Inc.
Manufactures high performance stepper and permanent magnetic motors.

Micro Motion, Inc.
Produces mass flow measurement systems.

Computer Power Systems, Inc.
Manufactures power conditioning systems for computers.

Automatic Switch Company
50-60 Hanover Road
Florham Park, New Jersey 07932
Designs and manufactures industrial solenoid valves and products for the control of fluids and flow of electric power.

Kiowa Corporation
Manufactures electronic motion control products.

Copeland Corporation
Manufactures compressors.

Liebert Corporation
Manufactures environmental control systems for computers.

Powertec/SCI
Manufactures power supplies for use in electronic equipment.

Joucomatic
Manufactures pneumatic and general-purpose solenoid valves, serving primarily the European packaging, chemical and automotive industries.

Transfer Agent(s):

Boatmen's trust Company
(Common & Preferred Shares)
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Midwest

Ticker Symbol: EMR

Number of Employees:

1989	72,600	1986	60,700
1988	70,800	1985	61,900
1987	68,700		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 7,071,300	$ 588,000
1988	6,651,500	528,800
1987	6,170,300	467,200
1986	5,242,400	427,400
1985	4,921,100	416,100

	No. of Com. Shares ‡	Earn. per Share ‡
1989	223,760,000	$ 2.63
1988	229,246,000	2.31
1987	233,860,000	2.00
1986	233,104,000	1.83
1985	236,385,000	1.76

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1989	1988
Commercial & industrial	$ 5,129,000	$ 4,661,000
Consumer products	1,266,000	1,305,000
Government & defense	676,000	685,000
Total	$ 7,071,000	$ 6,651,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.12	—	—
1988	1.00	—	
1987	0.97	—	3-for-1
1986	0.92	—	—
1985	0.87	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 3,073,400	$ 13.79
1988	2,820,100	12.51
1987	2,702,500	11.68
1986	2,374,000	10.75
1985	2,222,200	9.85

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 7,071,300	$ 6,651,500
Cost of sales	4,662,700	4,432,900
Expenses	1,335,600	1,223,100
Interest expense	78,400	82,900
Other expense	40,600	52,800
Income before taxes	$ 954,000	$ 859,800
Income taxes	366,000	331,000
Net Income	$ 588,000	$ 528,800

* Included in Costs and Expenses, Depreciation and Amortization: $230,800,000 in 1989 and $228,300,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 112,700	$ 98,600
Accts. receiv., net	1,132,700	1,057,800
Cost on long-term contracts	107,700	105,000
*Inventories	1,286,000	1,334,600
Other curr. assets	211,400	168,500
Current Assets	$ 2,850,500	$ 2,764,500
#Fixed assets	1,197,700	1,147,300
Other assets	1,359,800	1,261,400
Total Assets	$ 5,408,000	$ 5,173,200

Liabilities
(000's)

Short-term borrowings & long-term debt, curr.	$ 323,800	$ 372,500
Accts. payable	424,600	407,300
Adv. pay. on contracts	37,200	31,300
Accruals	588,500	551,700
Income taxes	159,100	109,900
Curr. Liabilities	$ 1,533,200	$ 1,472,700
Long-term debt	418,900	523,400
Other liab.	382,500	357,000
+Common stock	238,200	238,200
Add. paid-in capital	—	2,300
Retained earnings	3,302,100	2,966,200
Cum. trans. adjust.	6,400	8,800
Treasury stock	(473,300)	(395,400)
Total Liabilities & Shareholders' Equity	$ 5,408,000	$ 5,173,200

* At lower of cost or market. Majority at standard costs; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	13.49	12.93
% Net Income to Sales	8.32	7.95
% Net Income to Equity	19.13	18.75
Sales to Inventories	5.50	4.98
Debt to Equity	0.24	0.20
Working Capital	$ 1,317,300,000	$ 1,291,800,000
Current Ratio	1.86	1.88
Shareholders' Equity	$ 3,073,400,000	$ 2,820,100,000

Emerson Radio Corp.

1 Emerson Lane
North Bergen, New Jersey 07047
(201) 854-6600
FAX: (201) 854-8357

Officers: William W. Lane, chairman; Jane Coppola, v.p.-import operations; Stephen L. Lane, president; Donald Dvorkin, exec. v.p. & secretary; Harold Falik, exec. v.p.-finance; Kunio Takei, exec. v.p.-foreign operations; Hachiro Masuda, v.p.-design; Marino Andriani, sr. v.p.; Edward Bohn, v.p.-finance & treasurer; Edward Beller, v.p.-domestic operations; Toshinori Ishii, v.p.-engineering; Rudolph Malacrida, v.p.-mgmt. info. systems; Freeman Robinson, sr. v.p.-corproate administration; John R. Bond, sr. v.p.-key accounts.

Directors: William W. Lane, chairman; Stephen L. Lane, Jay M. Haft, Donald Dvorkin, Walter F. Mondale, Lyle E. Gramley.

Areas of Work: Designs and markets a full line of popularly priced consumer electronics products. The company's products include televisions, video cassette recorders, portable compact disc players, microwave ovens, telephones and answering machines.

Subsidiaries:

Emerson Radio (Hong Kong) Limited
1009-1015 World Shipping Centre, 10th Floor
Harbour City, Phase 1, No. 7 Canton Road
Tsimshatsui, Kowloon, Hong Kong

Emerson Radio Canada, Ltd.
6455 Vipond Drive
Mississauga, Ontario, Canada L5T 1J9

H.H. Scott, Inc.
5601 West Side Avenue
North Bergen, New Jersey 07047
(201) 662-2000
Designs, manufactures, and markets a line of high fidelity audio and video equipment.

H.H. Scott Electronics Ltd.
1009-1015 World Shipping Centre
Harbour City, Phase 1, No. 7 Canton Road
Tsimshatsui, Kowloon, Hong Kong

Emerson Computer Corporation of Canada Limited
6455 Vipond Drive
Mississauga, Ontario, Canada L5T 1J9

Emerson Computer Corp.
5500 East Slauson Avenue
Commerce, California 90040

Emerson Technologies L.P.
4350 Von Karman Avenue, Suite 220
Newport Beach, California 92660

H.H. Scott Audio Canada Ltd.
6455 Vipond Drive
Mississauga, Ontario, Canada LT5 1J9

Transfer Agent(s):

United Jersey Bank
Hackensack, New Jersey

Stock Exchange(s): New York

Ticker Symbol: EME

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 891,368,000	$ 10,412,000
1989	761,640,000	10,214,000
1988	728,837,000	(16,690,000)
1987	807,924,000	26,606,000
1986	563,372,000	12,907,000

	No. of Com. Shares #	Earn. per Share ‡ #
1990	35,813,000	$ 0.29
1989	36,495,000	0.28
1988	36,246,000	—
1987	36,458,000	0.73
1986	35,056,000	0.37

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $580,000 ($0.02 per share) in 1989.
# Based on the weighted average number of shares oustanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	—	2-for-1
1986	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 94,766,000	$ 2.65
1989	89,870,000	2.46
1988	78,113,000	2.16
1987	96,041,000	2.77
1986	61,447,000	1.75

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Mar. 31	1990	1989
Net sales	$ 891,368,000	$ 761,640,000
Cost of sales	804,328,000	693,689,000
Expenses	60,636,000	44,912,000
Interest expense	12,317,000	9,821,000
Income before taxes	$ 14,087,000	$ 13,218,000
Income taxes	3,675,000	3,584,000
Net Income	$ 10,412,000	$ 9,634,000
Extraord. gain	—	580,000
Net Income & extraord. gain	$ 10,412,000	$ 10,214,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,979,000 in 1990 and $5,012,000 in 1989.

Assets

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 10,375,000	$ 9,366,000
Accts. receiv. net	70,932,000	69,568,000
*Inventories	182,332,000	91,474,000
Prepaid expenses	54,314,000	43,509,000
Current Assets	$ 317,953,000	$ 213,917,000
#Fixed assets	14,172,000	13,449,000
Other assets	6,753,000	7,102,000
Total Assets	$ 338,878,000	$ 234,468,000

Liabilities

Notes & accept. payable	$ 162,868,000	$ 67,303,000
Accts. payable & accruals	27,317,000	14,713,000
Income taxes	5,397,000	5,472,000
Curr. Liabilities	$ 195,582,000	$ 87,488,000
Long-term debt	46,166,000	54,881,000
Deferred inc. taxes	2,364,000	2,229,000
+Common stock	3,557,000	3,638,000
Add. paid-in capital	56,372,000	59,483,000
Retained earnings	34,923,000	27,578,000
Deferred comp.	(86,000)	(829,000)
Total Liabilities & Shareholders' Equity	$ 338,878,000	$ 234,468,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.58	1.74
%Net Income to Sales	1.17	1.26
%Net Income to Equity	10.99	10.72
Sales to Inventories	4.89	8.33
Debt to Equity	2.21	1.36
Working Capital	$ 122,371,000	$ 126,429,000
Current Ratio	1.63	2.45
Shareholders' Equity	$ 94,766,000	$ 89,870,000

Enercon Data Corporation

(formerly CompuScan, Inc.)

300 Broadacres Drive
Bloomfield, New Jersey 07003
(201) 338-5000

Officers: Robert W. Fischer, chairman & chief exec. officer; Steven D. Riedel, v.p.; Richard Notar, treasurer.

Directors: Robert W. Fischer, chairman; Derrick Ashcroft, Allan Harle, Marshall D. Miller, Charles W. Oswald.

Areas of Work: Designs, manufactures, markets and services intelligent image processing and data entry systems for business, industry and government, and develops and markets energy management and lighting control products for commercial buildings.

Divisions:

Enercon Division
Minneapolis, Minnesota

CompuScan Division
Bloomfield, New Jersey

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENDC (NASDAQ)

Number of Employees:

1988	70	1985	303
1987	177	1984	319
1986	234		

Plant Footage:

1988	25,800 sq. ft.	1985	47,500
1987	43,700	1984	54,000
1986	43,700		

Sales & Earnings

	Net Sales	Net Income ‡
12/31/88*	$ 1,950,000	$ (1,665,000)
5/31/88	6,521,000	(3,461,000)
5/31/87	10,992,000	(4,659,000)
5/31/86	14,502,000	(4,597,000)
5/31/85	20,340,000	1,624,000

	No. of Com. Shares #	Earn. per Share ‡ #
12/31/88*	6,121,179	$ —
5/31/88	5,738,679	—
5/31/87	5,630,171	—
5/31/86	5,643,793	—
5/31/85	6,015,845	0.27

(Loss)
* 7 months.
‡ Including extraordinary credits of $747,000 ($0.12 per share) in 1985.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/88	$ (103,000)	$ —
5/31/88	1,562,000	0.27
5/31/87	4,908,000	0.87
5/31/86	9,673,000	1.71
5/31/85	14,302,000	2.38

(Deficiency)
‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/31/88 (7 months)	5/31/88
Net revenues:		
Machines & hardware	$ 1,950	$ 3,150
Field engineering	—	3,371
Total	$ 1,950	$ 6,521
Cost of sales	1,162	5,343
Res., develop. engr. expenses	228	876
Sell., gen. & adm. exp.	1,393	3,949
Interest income	(80)	(76)
Termination exp.	275	—
Merger expense	215	—
Restruc. of oper.	422	1,546
Gain on sale of assets	—	(1,476)
Net Loss	$ (1,665)	$ (3,641)

* Included in Costs and Expenses, Depreciation and Amortization: $115,000 in the period ending Dec. 31, 1988 and $695,000 in the year ending May 31, 1977.

Assets

As of	12/31/88	5/31/88
Cash & equiv. -	$ 987	$ 1,963
Note receivable	378	348
Accts. receiv., net	281	455
Fraud rel. receiv.	175	—
*Inventories	381	504
Other curr. assets	21	—
Curr. Assets	$ 2,223	$ 3,270
#Fixed assets	155	369
Other assets	237	307
Total Assets	$ 2,615	$ 3,946

Liabilities
(000's)

Long-term liabilities	$ 116	$ 40
Accts. payable	487	599
Accruals	2,084	1,591
Curr. Liabilities	$ 2,687	$ 2,230

Long-term liabilities	31	154
+Common stock	612	612
Add. paid-in capital	16,656	16,656
Retained earnings (deficit)	(17,371)	(15,706)
Total Liabilities & Shareholders' Equity	$ 2,615	$ 3,946

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Debt to Equity	—	0.12
Working Capital	—	$ 1,040,000
Current Ratio	—	1.47
Shareholders' Equity (Deficiency)	$ (103,000)	$ 1,562,000

Energy Conversion Devices, Inc.

1675 West Maple Road
Troy, Michigan 48084
(313) 280-1900

Officers: Ralph F. Leach, chairman of the board; Stanford R. Ovshinsky, president & chief exec. officer; E. Alexander Goldstein, exec. v.p. & chief operating officer; Jack T. Conway, vice chairman; Nancy M. Bacon, v.p.-finance & treasurer; Stephen J. Hudgens, v.p.-research & development; Rikuma Ito, v.p.-international market development; Iris M. Ovshinsky, v.p.; Lee E. Bailey, secretary & corp. counsel; Subhendu Guha, v.p.-photovoltaics & information.

Directors: Hellmut Fritzsche, Iris M. Ovshinsky, Stanford R. Ovshinsky, Jack T. Conway, Ralph F. Leach, Stanley Stynes, Nancy M. Bacon, Momoko Ito, Edwin O. Reischauer, Takashi Kojima, Robert R. Wilson, J. Montieth Estes, Douglas A. Fraser, James Geater.

Areas of Work: Develops amorphous materials technology for products in three areas: energy, information and synthetic materials. Applications include photovoltaics, thermoelectrics, batteries, flat-panel displays, optical memories, electrophotograqhic drums, wear-resistant coatings and X-ray mirrors.

Divisions and Subsidiaries:

Ovonic ThermoElectric Company
Ovonic Imaging Systems, Inc. (70%-owned)
Ovonic Synthetic Materials Company, Inc.
Japan-ECD Company, Ltd.
Ovonic Battery Company, Inc.
Sovonics Solar Systems, Inc.

Joint Venture(s):

Quartet Ovonics

Transfer Agent(s):

National Bank of Detroit
Stock Transfer Department
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENER (NASDAQ)

Number of Employees:

1988	331	1985	460
1987	338	1984	393
1986	435		

Plant Footage:

1988	171,000 sq. ft.	1985	175,810
1987	184,800	1984	150,050
1986	203,140		

Sales & Earnings

	Net Revenues	Net Income
1988	$ 10,158,754	$ (31,292,778)
1987	19,564,494	(17,925,844)
1986	21,079,580	(27,918,630)
1985	30,110,309	(14,888,486)
1984	29,227,768	(8,848,108)

	No. of Com. Shares #	Earn. per Share #
1988	5,950,870	$ —
1987	5,196,382	—
1986	4,584,557	—
1985	4,356,842	—
1984	4,051,586	—

(Loss)
Based on the monthly average number of Class A common and common shares combined.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 2,102,743	$ 0.35
1987	14,296,342	2.75
1986	12,081,789	2.64
1985	15,022,200	3.45
1984	25,916,082	6.40

‡ Based on the monthly average number of Class A common and common shares combined.

Income Account*

Year ended June 30	1988	1987
Revenues	$ 10,158,754	$ 19,564,494
Cost of revenues	10,461,946	8,442,196
Cost of prod. sales	5,927,439	3,041,088
Product develop. exp.	7,982,881	8,887,644
Patent expenses	1,364,501	1,496,226
Expenses	12,162,981	15,230,312
Interest expense	845,002	1,698,681
Litigation & consent decree	5,276,000	—
Minority interest	(2,569,218)	(1,305,809)
Net Loss	$ (31,292,778)	$ (17,925,844)

* Included in Costs and Expenses, Depreciation and Amortization: $4,655,588 in 1988 and $4,644,739 in 1987.

Assets

As of June 30	1988	1987
Cash & short-term invest.	$ 7,246,250	$ 18,677,994
Accts. receiv., net	3,319,748	2,616,448
* Inventories	1,306,226	667,081
Prepaid expenses & other assets	1,022,538	1,453,607
Current Assets	$ 12,894,762	$ 23,415,130
# Fixed assets	16,971,373	21,131,294
Other assets	1,316,288	313,544
Total Assets	$ 31,182,423	$ 44,859,968

Liabilities

Notes payable	$ 1,078,729	$ —
Long-term debt, curr.	1,432,683	2,716,126
Accts. payable & accruals	4,771,622	8,035,601
Accrued payroll	771,071	662,118
Deferred prod. develop. revenues	1,242,026	1,117,441
Curr. Liabilities	$ 9,296,131	$ 12,531,286
Long-term debt	8,626,812	9,066,652
Long-term deferred rev.	2,493,651	2,290,000
Cost in exc. of billings	1,700,000	—
Court-ordered guarantee	5,208,740	—
Minority interest	1,754,346	6,675,688
+ Common stock, Class A	2,199	2,199
+ Common stock	57,594	52,317
Add. paid-in capital	138,712,021	119,618,119
Retained earnings (deficit)	(136,669,071)	(105,376,293)
Total Liabilities & Shareholders' Equity	$ 31,182,423	$ 44,859,968

* At lower of cost (moving average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Debt to Equity	4.78	0.82
Shareholders' Equity	$ 2,102,743	$ 14,296,342

Ericsson

(Telefonaktiebolaget LM Ericsson)
S-126 25
Stockholm, Sweden
46 8 719 00 00

Officers: Bjorn Svedberg, chairman of the board; Lars Ramqvist, president; Jan Wallander, deputy chairman; Peter Wallenberg, deputy chairman; Carl Wilhelm Ros, executive v.p. & chief financial officer; Jan Stenberg, exec. v.p.-public telecommunications & pres.-Ericsson Telecom AB; Lars Berg, sr. v.p., & president-Ericsson Network Engineering AB & Ericsson Cables AB; Ulf H. Johansson, sr. v.p.-defense systems, & president-Ericsson Radar Electronics AB; Ronny Lejdemalm, sr. v.p., & president-Ericsson Business Communications AB; Stephan Almqvist, sr. v.p.-corporate treasury; Lennart Grabe, sr. v.p. & general counsel-corporate legal affairs; Harry Johansson, sr. v.p.-corporate audit; Bo Landin, sr. v.p.-corporate markets & corporate planning; Gosta Lindberg, sr. v.p.-corporate technology & quality & chief technical officer; Nils Ingvar Lundin, sr. v.p.-corporate relations; Ake Stavling, sr. v.p.-corporate financial control; Bert Jeppsson, sr. v.p.-components & president-Ericsson Components AB; Britt Reigo, sr. v.p.-corporate human resources & organization.

Directors: Hans Werthen, chairman; Jan Wallander, Peter Wallenberg, Georg Karnsund, Sven Ljungberg, Sven Olving, Stanley Oscarsson, Tommy Lindbohm, Sten Wikander, Sven Agrup, Bjorn Svedberg.

Areas of Work: In the area of Public Telecommunications, the Company develops, produces and installs telecommunications equipment for telecom administrations. Equipment includes telephone exchanges, transmission, telex and data processing equipment. In the area of Information Systems, the Company manufactures products and systems for the transmission of voice and data in private networks. These include communications systems, including large subscriber exchanges, Eripax data networks, modems, small subscriber exchanges, intercom systems and telephone instruments; Data systems, including data terminals, personal computers, small business systems/minicomputers, and bank terminals systems; and office equipment, including printers, typewriters, calculators and office furniture. In the area of Cables, the Company produces power cable, telecommunications cable, and specialty cables. Defense Systems includes five products areas: avionics and missile electronics; defense communications; local and mobile defense systems; control and computer systems; and microwave communications, including radio links and satellite operations. Radio Communications includes mobile telephone and radio systems and personal paging systems. Network Engineering and Construction includes network construction, including planning and construction of telecommunications networks, data networks and telesignaling installations; and signal systems, including signaling and safety systems for rail traffic as well as street and highway signaling systems. Components operations include the development, manufacture and marketing of components and power supplies for the electronics industry. Product areas include microcircuits, power systems, and capacitors and standard components.

Divisions and Subsidiaries (Sweden):

Bofors Electronics AB (20% owned)

AB Aulis
Stockholm, Sweden

ELLEMTEL Utvecklings AB
(50%-owned)
Stockholm, Sweden

E-P Data AB
Karlskrona, Sweden

Ericsson Business Communications AB
Stockholm, Sweden

Ericsson Cables AB
Stockholm, Sweden

Ericsson Components AB
Stockholm, Sweden

LM Ericsson Data Services AB
Stockholm, Sweden

Aktiebolaget LM Ericsson Finans (75%-owned)
Stockholm, Sweden

Ericsson Mobile Communications AB
Stockholm, Sweden

Ericsson Network Engineering AB
Stockholm, Sweden

Ericsson Programatic Sweden AB
Karlstad, Sweden

Ericsson Radar Electronics AB
Molndal, Sweden

Ericsson Radio Systems AB
Stockholm, Sweden

Ericsson Telecom AB
Stockholm, Sweden

Erisoft AB
Lulea, Sweden

Industrigruppen JAS AB
Stockholm, Sweden

Magnetic AB
Stockholm, Sweden

Mellansvenska Elektriska AB
Stockholm, Sweden

John Martensson Elmaterial AB
Helsingborg, Sweden

Nira Sverige AB
Stockholm, Sweden

Svenska Elgrossist AB SELGA
(67%-owned)
Stockholm, Sweden

Radiosystem Sweden AB
Stockholm, Sweden

Divisions and Subsidiaries (U.S.A.)

Ericsson North America, Inc.
Richardson, Texas

Ericsson, Inc.
Richardson, Texas

Network Systems
Richardson, Texas

Business Communications
Richardson, Texas

Radio Systems
Richardson, Texas

The Ericsson Corporation
New York, New York

Ericsson Components, Inc.
Richardson, Texas

Transfer Agent(s):*

Citibank, N.A.
New York, New York

* American Depositary Receipt

Stock Exchange(s): Stockholm*, London, Paris, Hamburg, Frankfurt-am-Main, Dusseldorf, Oslo, Geneva, Over-the-Counter (U.S.) * Class A and Class B shares; all others only Class B.

Ticker Symbol: ERICY (NASDAQ)* * American Depositary Receipt

Number of Employees:

1989	69,229	1986	72,575
1988	65,138	1985	78,159
1987	70,893		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	Skr39,549,000	Skr1,843,000
1988	31,297,000	1,313,000
1987	32,400,000	735,000
1986	31,644,000	563,000
1985	32,496,000	837,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1989	40,027,000	Skr58.34
1988	38,167,000	27.06
1987	38,162,000	17.90
1986	38,011,000	14.96
1985	36,951,000	12.62

Skr - Swedish knonor
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
† After deducting appropriations.

Revenues by Line of Business
(000's)

	1989	1988
Public telecommunications	Skr17,280,000	Skr13,677,000
Radio communications	8,062,000	4,745,000
Business communications	4,912,000	3,540,000
Cable & network	5,220,000	5,643,000
Components	716,000	707,000
Defense systems	3,252,000	2,548,000
Other	107,000	437,000
Total	Skr39,549,000	Skr31,297,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	Skr4.0	—	—
1988	10.50	—	
1987	9.00	—	—
1986	9.00	—	—
1985	9.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	Skr11,029,000	Skr275.54
1988	8,627,000	226.03
1987	7,468,000	195.69
1986	7,299,000	192.02
1985	6,901,000	186.76

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	Skr39,549,000	Skr31,297,000
Cost of sales	20,978,000	17,579,000
Eq. in earn. of assoc. cos.	(398,000)	(241,000)
Other revenues	(411,000)	(452,000)
Expenses	13,529,000	10,762,000
Depreciation	1,294,000	971,000
Interest expense	1,210,000	1,219,000
Interest income	(779,000)	(666,000)
Minority interest	411,000	285,000
Inc. before appropriations & taxes	Skr3,715,000	Skr1,840,000
Appropriations to untaxed reserves	492,000	(280,000)
Income before taxes	Skr3,223,000	Skr2,120,000
Income taxes	1,546,000	880,000
Minority interest	(166,000)	(73,000)
Net Income	Skr1,843,000	Skr1,313,000

Assets
(000's)

As of Dec. 31	1989	1988
Cash	Skr5,120,000	Skr3,780,000
Accts. receiv., net	12,242,000	10,159,000
*Inventories	9,647,000	8,171,000
Other curr. assets	2,606,000	2,487,000
Current Assets	Skr29,615,000	Skr24,597,000
Deposits rel. to untaxed reserves	72,000	57,000
Notes & accts. receivable	433,000	458,000
Investments in assoc. cos.	931,000	826,000
Other investments	211,000	304,000
Other assets	1,818,000	1,704,000
#Fixed assets	7,776,000	6,679,000
Total Assets	Skr40,856,000	Skr34,625,000

Liabilities
(000's)

Short-term borrowings	Skr1,100,000	Skr621,000
Long-term debt, curr.	671,000	674,000
Accts. payable	3,513,000	2,727,000
Advances from customers	3,354,000	2,986,000
Accrued taxes	1,115,000	611,000
Other current liabilities	6,658,000	5,329,000
Curr. Liabilities	Skr16,411,000	Skr12,948,000
Debentures	1,467,000	1,524,000
Convert. debentures	656,000	1,528,000
Pension liabilities	3,729,000	3,437,000
Other liabilities	1,146,000	1,251,000
Untaxed reserves	4,995,000	4,506,000
Minority interest	1,423,000	804,000
+Common stock	2,049,000	1,911,000
Reserves not avail. for distr.	5,878,000	5,078,000
Retained earnings	3,102,000	1,638,000
Total Liabilities & Shareholders' Equity	Skr40,856,000	Skr34,625,000

* At standard cost.
# Less accumulated depreciation.
+ Skr50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.15	6.77
%Net Income to Sales	4.66	4.20
%Net Income to Equity	16.71	15.22
Sales to Inventories	4.10	3.83
Debt to Equity	0.35	0.50
Working Capital (000's)	Skr13,204,000	Skr11,649,000
Current Ratio	1.80	1.90
Shareholders' Equity (000's)	Skr11,029,000	Skr8,627,000

Espey Mfg. & Electronics Corp.

Ballston and Congress Avenues
Saratoga Springs, New York 12866
(518) 584-4100
FAX: (518) 584-4330

Officers: Sol Pinsley, president, chief exec. officer, & treasurer; Frieda Pinsley, v.p. & secretary; Garry M. Jones, ass't. treasurer & principal financial & accounting officer.

Directors: Albert K. Braim, Henry Breed, Frieda Pinsley, Sol Pinsley.

Areas of Work: Develops, designs, manufactures and markets specialized electronic power supplies, a wide variety of transformers and other types of iron-core components, and electronic systems, principally for military use.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Street
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: ESP

Sales & Earnings

	Net Sales	Net Income
1988	$ 13,137,908	$ 2,138,775
1987	13,243,534	1,376,234
1986	13,806,276	1,726,618
1985	16,400,504	2,929,521
1984	16,423,999	3,843,448

	No. of Com. Shares †	Earn. per Share ‡
1988	1,148,902	$ 1.79
1987	1,216,902	1.13
1986	1,216,902	1.42
1985	1,216,902	2.41
1984	1,216,902	3.16

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1988	1987	1986	1985
Electronic power supplies	56 %	69 %	57 %	49 %
Iron-core components	27	18	24	19
Electronic systems	17	13	19	32
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.40	—	—
1987	0.40	—	
1986	0.40	—	—
1985	0.40	—	—
1984	0.333	—	3-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 18,975,129	$ 16.52
1987	18,724,161	15.39
1986	17,815,854	14.64
1985	16,514,997	13.57
1984	14,012,737	11.52

‡ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1988	1987
Net sales	$ 13,137,908	$ 13,243,534
Cost of sales	9,218,062	10,045,534
Expenses	1,194,892	1,189,167
Interest income	(596,699)	(546,321)
Other income	(28,551)	(61,080)
Income before taxes	$ 3,350,204	$ 2,616,234
Income taxes	1,314,203	1,240,000
Cum. effect of acct. change	(102,774)	—
Net Income	$ 2,138,775	$ 1,376,234

* Included in Costs and Expenses, Depreciation: $337,170 in 1988 and $341,500 in 1987.

Assets

As of June 30	1988	1987
Cash	$169,141	$1,004,852
Marketable securities	7,420,975	8,328,021
Accts. receiv., net	2,189,609	1,265,920
Refundable taxes	—	426,189
Other receivables	13,566	22,007
*Inventories	7,432,361	5,825,575
Prepaid expenses	213,932	228,560
Current Assets	$ 17,439,584	$ 17,101,124
Marketable securities	212,300	332,421
#Fixed assets	2,888,941	2,975,850
Other assets	5,000	5,000
Total Assets	$ 20,545,825	$ 20,414,395

Liabilities

Accts. payable	$ 435,500	$ 532,778
Accrued salaries	104,627	208,229
Accrued emp. insur. costs	90,693	14,446
Accrued payroll	128,920	99,168
Other accruals	24,253	20,362
Inc. taxes payable	25,023	—
Def. inc. taxes	115,303	—
Curr. Liabilities	$ 924,319	$ 874,983
Deferred inc. taxes	646,377	815,251
+Common stock	504,979	504,979
Add. paid-in capital	2,772,979	2,772,979
Retained earnings	17,577,450	15,925,436
Treasury stock	(1,853,550)	(470,454)
Unreal. loss on equity secur.	(26,729)	(8,779)
Total Liabilities & Shareholders' Equity	$ 20,545,825	$ 20,414,395

* At FIFO cost.
# Less accumulated depreciation and amortization.
+ $0.33 1/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	25.50	19.75
%Net Income to Sales	16.28	10.39
%Net Income to Equity	11.27	7.35
Sales to Inventories	1.77	2.27
Working Capital	$ 16,515,265	$ 16,226,141
Current Ratio	18.87	19.54
Shareholders' Equity	$ 18,975,129	$ 18,724,161

Esquire Radio & Electronics, Inc.

4100 First Avenue
Brooklyn, New York 11232
(718) 499-0020

Officers: A. Robert Lieberman, chairman of the board & president; Simon Lynn, executive v.p.; Paul Smith, v.p.-engineering & quality assurance; Nicholas Maffei, v.p.-sales & product development; Harvey Lieberman, v.p.-operations & treasurer; Lloyd Frank, secretary & counsel; Jay M. Lieberman, v.p.-customer services.

Directors: A. Robert Lieberman, chairman; Simon Lynn, Paul Smith, Gertrude Lieberman, Monte Levin.

Areas of Work: Imports and distributes electronic products, principally a line of telecommunications equipment, including telephones, telephone key systems and answering machines.

Subsidiaries:

Tangent Industries, Ltd.
Provides repair and factory refurbishing services.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: EE

Number of Employees:

1988	143
1987	118
1986	63
1985	N.A.
1984	44

N.A. - Not Available.

Plant Footage:

1988	253,000 sq. ft.
1987	253,000
1986	217,000
1985	217,000
1984	440,000

Sales & Earnings

	Net Sales	Net Income †
1988	$ 65,546,656	$ 1,856,261
1987	64,455,011	4,119,629
1986	16,134,871	202,810
1985	3,970,528	(55,042)
1984	10,488,187	851,960

	No. of Com. Sales #	Earn. per Share †#
1988	483,000	$ 3.84
1987	483,000	8.53
1986	483,000	0.42
1985	483,000	—
1984	483,000	1.76

(Loss)
† Including extraordinary gain of $2,569,459 ($5.32 per share) in 1987.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.99	—	—
1987	0.72	—	
1986	0.72	—	—
1985	0.72	—	—
1984	0.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 25,057,808	$ 51.88
1987	23,679,717	49.03
1986	19,907,848	41.22
1985	20,052,798	41.52
1984	20,455,600	42.35

# Based on the weighted average number of shares outstanding.

Income Account*

Year ended Dec. 31	1988	1987
Net sales	$ 65,546,656	$ 64,455,011
Cost of sales	61,964,182	61,281,222
Expenses	1,784,417	1,505,221
Interest income	(2,387,659)	(1,515,195)
Interest expense	909,258	263,840
Unusual items	—	52,020
Inc. bef. taxes	$ 3,276,458	$ 2,867,903
Income taxes	1,420.197	1,317,733
Net income	$ 1,856,261	$ 1,550,170
Extraord. gain	—	2,569,459
Net Income & extraord. gain	$ 1,856,261	$ 4,119,629

* Included in Costs and Expenses, Depreciation and Amortization: $40,055 in 1988 and $147,877 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 1,010,507	$ 402,404
Accts. receiv., net	5,279,635	7,225,392
*Inventories	19,262,392	33,010,000
Deferred inc. taxes	254,535	142,535
Prepaid expenses	281,540	117,018
Current Assets	$ 26,088,609	$ 40,897,349
#Fixed assets	95,706	135,761
Deferred comp. fund	1,041,621	952,994
Total Assets	$ 27,225,936	$ 41,986,104

Liabilities

Bank loans pay.	$ 600,000	$ 11,740,000
Accts. payable & accruals	963,654	2,256,561
Inc. taxes pay.	—	3,799,103
Curr. Liabilities	$ 1,563,654	$ 17,795,664
Deferred comp.	604,474	510,723
+Common stock	65,126	65,126
Add. paid-in cpaital	640,209	640,209
Retained earnings	26,290,637	24,912,546
Treasury stock	(1,938,164)	(1,938,164)
Total Liabilities & Shareholders' Equity	$ 27,225,936	$ 41,986,104

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.00	4.45
%Net Income to Sales	2.83	2.41
%Net Income to Equity	7.41	6.55
Sales to Inventories	3.40	1.95
Working Capital	$ 24,524,955	$ 23,101,685
Current Ratio	16.68	2.30
Shareholders' Equity	$ 25,057,808	$ 23,679,717

Esterline Corporation

10800 NE 8th Street
Suite 600
Bellevue, Washington 98004
(206) 453-6001
FAX: (206) 453-2916

Officers: Carroll M. Martenson, chairman; Wendell P. Hurlbut, president & chief executive officer; Robert W. Stevenson, exec. v.p. & chief financial officer; Robert W. Cremin, group vice president; Lee Zuker, group vice president; Stephen S. Roberts, group vice president; N. Huntley Holland, v.p.-industrial relations; Harold S. Meden, v.p.-corp. development; Victor Thompson, v.p. & controller.

Directors: Carroll M. Martenson, chairman; Robert S. Ames, Lee L. Davenport, John F. Clearman, Robert F. Goldhammer, Edward H. Cooley, E. John Finn, Donald Nigro.

Areas of Work: Company operates in three business segments: Automation Group, Aerospace/Defense Group, and Instrumentation Group. The Automation Group produces and markets automated production equipment for the printed circuit board manufacturing industry. The Aerospace/Defense Group provides a broad range of measuring and sensing devices and specialized metal finishing principally for commercial aircraft and jet engine manufacturers. The Instrumentation Group designs and manufactures a variety of sophisticated meters, gauges, control components, and measurement and analysis equipment for public utilities, industrial and airframe manufacturers.

Divisions and Subsidiaries:

Equipment Sales Company, Inc.
150 Westford Road
Tyngsboro, Massachusetts 01879
Produces automated equipment for bareboard testing as well as shorts and opens testing of assembled printed circuit boards.

Hollis Automation, Inc.
15 Charron Avenue
Nashua, New Hampshire 03063
Automated systems for wave soldering and cleaning of printed circuit boards assemblies and related equipment.

Hollis Europe, Ltd.
Unit 1, Riverside
Sir Thomas Langey Road
Nedway City Estate
Strood, Kent M224DP, England

W.A. Whitney Corporation
650 Race Street
Rockford, Illinois 61105
(815) 964-6771

W.A. Whitney Italia, S.p.A.
Strada Del Francese 132/9
Turin 10156, Italy
Manufactures automated equipment for sheet metal, plate, and structural steel fabrication.

Excellon Automation
24015 Garnier Street
Torrance, California 90509
(213) 325-8000
Manufactures automated printed circuit board drilling and routing machinery and optical programming systems of such machinery.

Excellon Photonics
3000 Redhill Avenue
Costa Mesa, California 92626
Produces printed board imaging systems.

Excellon International
Dominion Way
Rustington, Littlehampton, West Sussex BN163HQ, England
Manufactures automated printed board production machinery, manual printed circuit board drilling and routing machinery.

Excellon Europa GmbH
Justus-von-Liebig-Str. 19
D-6057 Dietzenbach/BRD, West Germany

Tulon, Inc.
15209 South Broadway
Gardena, California 90248
(213) 532-1040
Produces tungsten carbide printed circuit board drills and metal cutting tools.

Federal Products Corporation
1144 Eddy Street
Providence, Rhode Island 02901
(401) 781-9300
Produces analog and digital dimensional measurement and inspection instruments for industrial quality control applications.

Federal Gauges, Ltd.
(50%-owned by Federal Products Corporation)
Brick Knoll Park, Ashley Road
St. Albans
Herts AL1 5PL, England

Esterline-Angus Instrument Corporation
1201 Main Street
Indianapolis, Indiana 46224
(317) 244-7611
Manufactures analog and digital recording instruments, analytical process monitoring and control instrumentation.

Scientific Columbus, Inc.
1900 Arlingate Lane
Columbus, Ohio 43228
(614) 294-5671
Products include: Analog and digital electronic meters, transducers, and instruments for monitoring, billing, and controlling electric power.

Korry Electronics Co.

Auxitrol S.A.
1, Rue d'Anjou BP241
92603 Asnieres, France

Auxitrol Iberico S.A.
C/Caucho 18, Poligono-Industrial
Apartado 30
28850 Torrejon de Ardoz (Madrid), Spain
Liquid level and pneumatic measuring and control devices; aviation and industrial thermo-couples; industrial alarms; electrical penetration devices for nuclear power plants.

Arwtec Defense Products Co.
85-901 Avenue 53
P.O. Box 848
Coachella, California 92236

Hytek Finishes Co.
8127 South 216th Street
Kent, Washington 98032

Midcon Cables Co.
2500 Davis Blvd.
P.O. Box 1786
Joplin, Missouri 64801

Republic Electronics Co.
200 Wireless Blvd.
Hauppauge, New York 11788

TA Mfg. Inc.
375 West Arden Avenue
Glendale, California 91203

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: ESL

Number of Employees:

1989	4,445	1987	3,156
1988	3,020	1986	3,130

Plant Footage:

1989	1,596,000 sq. ft.	1987	1,181,400
1988	1,137,000		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 284,189,000	$ 8,592,000
1988	284,418,000	8,384,000
1987	259,661,000	(29,306,000)
1986	235,940,000	922,000
1985	254,252,000	2,163,000

	No. of Com. Shares #	Earn. per Share ‡ #
1989	8,296,000	$ 1.03
1988	8,444,000	0.99
1987	8,444,000	—
1986	8,444,000	0.11
1985	8,444,000	0.26

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $723,000 ($0.09 per share) in 1989 and $1,242,000 ($0.15 per share) in 1988.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Automation	$ 161,002,000	$ 168,674,000
Aerospace/Defense	36,655,000	33,229,000
Instrumentation	86,532,000	82,515,000
Total	$ 284,189,000	$ 284,418,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	0.54	—	—
1985	0.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 62,759,000	$ 7.56
1988	81,629,000	9.67
1987	73,036,000	8.65
1986	101,073,000	11.97
1985	103,547,000	12.26

# Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1989	1988
Net sales	$ 284,189	$ 284,418
Cost of sales	170,424	174,894
Expenses	96,557	91,393
Interest expense	3,505	3,827
Income before taxes	$ 13,703	$ 14,304
Income taxes	5,834	7,162
Net Income	$ 7,869	$ 7,142
Extraord. gain	723	1,242
Net Income & extraord. gain	$ 8,592	$ 8,384

* Included in Costs and Expenses, Depreciation and Amortization: $8,842,000 in 1989 and $8,531,000 in 1988.

Assets
(000's)

As of Oct. 31	1989	1988
Cash & cash equiv.	$ 1,650	$ 3,717
Accts. & notes receiv., net	59,685	48,835
*Inventories	78,674	57,149
Prepaid expenses	2,957	2,924
Current Assets	$ 142,966	$ 112,625
# Fixed assets	86,435	39,132
Exc. of cost over assets acq	34,532	5,627
Intangibles	21,993	1,027
Other assets	18,236	4,399
Total Assets	$ 304,162	$ 162,810

Liabilities
(000's)

	1989	1988
Notes payable	$ 47,364	$ 1,999
Long-term debt, curr.	14,729	4,810
Accts. payable	21,211	18,843
Accruals	46,235	30,408
Income taxes	1,680	1,733
Curr. Liabilities	$ 131,219	$ 57,793
Long-term debt	110,010	23,090
Other liabilities	174	298
+ Common stock	11,740	14,122
Retained earnings	53,556	69,560
Cumulative translation adjustments	(2,537)	(2,053)
Total Liabilities & Shareholders' Equity	$ 304,162	$ 162,810

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	4.82	5.03
% Net Income to Sales	2.77	2.51
% Net Income to Equity	12.54	8.75
Sales to Inventories	3.61	4.98
Debt to Equity	2.74	0.37
Working Capital	$ 11,747,000	$ 54,832,000
Current Ratio	1.09	1.95
Shareholders' Equity	$ 62,759,000	$ 81,629,000

E-Systems, Inc.

6250 LBJ Freeway
P.O. Box 660248
Dallas, Texas 75266-0248
(214) 661-1000
FAX: (214) 661-8508

Officers: E. Gene Keiffer, chairman of the board & chief executive officer; A. Lowell Lawson, president & chief operating officer; Terry W. Heil, sr. v.p.; James W. Crowley, v.p., secretary & general counsel; James W. Pope, v.p.-finance & chief financial officer; John E. Kumpf, v.p.-corp. communications; Joe W. Russell, v.p.-corp. relations & administration; Eaton Adams, Jr., v.p.-strategic planning & development; Harry L. Thurmon, v.p.-new business development; Paul Arnone, v.p.-advanced technology marketing; Brian D. Cullen, v.p. & gen. mgr.-Greenville Division; Talbot S. Huff, Jr., v.p. & gen. mgr.-Melpar Division; Terry Collins, v.p. & gen. mgr.-ERA; Victor Sellier, v.p. & asst. gen. mgr.-ERA; Robert C. Kroeger, v.p.-quality & manufacturing; F. Eugene Stapp, v.p. & gen. mgr.-Garland Division; James J. Reilly, v.p.-financial operations.

Directors: E. Gene Keiffer, chairman; James A. Bitonti, E. F. Buehring, Charles A. Gabriel, Martin R. Hoffmann, LeVan Griffis, S. Lee Kling, Francine I. Neff, A. Lowell Lawson, David R. Tacke.

Areas of Work: Engaged in the development and production of command and control systems and equipment primarily for defense applications on a worldwide basis. Complete systems include clear and secure communication systems, large-scale data processing systems, software, data-link terminals, displays, and related antennas. Produces and develops electronic warfare systems and electromagnetic support equipment; intelligence processing, which includes signal processing systems, computer systems, and modeling, and systems studies; intelligence collection, which includes signal collection systems and systems studies; tactical/security electronics which includes jamming and deception systems, electronic countermeasure systems, radar homing and warning systems, fuzing and timing devices, intrusion detection devices, and special-purpose devices. Engaged in the production of military communications systems and equipment, and guidance and navigation systems; also produces information handling and data-display systems, and flight control systems. Also engaged in aircraft overhaul, maintenance and modification.

Divisions and Subsidiaries:

Garland Division
P.O. Box 660023
Dallas, Texas 75266-0023
(214) 272-0515

Melpar Division
7700 Arlington Boulevard
Falls Church, Virginia 22046
(703) 560-5000

Montek Division
2268 South 3270 West
Salt Lake City, Utah 84119
(801) 973-4300

Greenville Division
P.O. Box 6056
Greenville, Texas 75403-6056
(214) 455-3450

Serv-Air, Inc.
P.O. Box 6669
Greenville, Texas 75403-6669
(214) 454-2000

ECI Division
P.O. Box 12248
1501 72nd Street No.
St. Petersburg, Florida 33733-2248
(813) 381-2000

Center for Advanced Planning and Analysis
1 Flint-Hill Office Park
10530 Rosehaven Street, Suite 200
Fairfax, Virginia 22030-2886
(703) 352-0300

Communications Manufacturing Division
P.O. Box 33010
2501 72nd Street North
St. Petersburg, Florida 33733
(813) 381-1155

Engineering Research Associates
1595 Springhill Road
Vienna, Virginia 22180
(703) 734-8800

Transfer Agent(s):

Ameritrust Texas N.A.
Stock Transfer Dept.
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): New York, London

Ticker Symbol: ESY

Number of Employees:

1989	17,920	1986	14,932
1988	16,717	1985	13,405
1987	15,506		

Plant Footage:

1989	6,231,000 sq. ft.	1986	5,375,000
1988	5,630,000	1985	5,600,000
1987	5,440,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 1,626,434,000	$ 82,984,000
1988	1,439,012,000	74,570,000
1987	1,227,237,000	60,400,000
1986	1,135,072,000	61,553,000
1985	926,753,000	44,982,000

	No. of Comm. Shares	Earn. per Share ‡
1989	31,042,969	$ 2.65
1988	30,897,866	2.40
1987	30,822,822	1.95
1986	30,420,141	2.00
1985	30,035,797	1.47

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Electronic warfare	$ 1,031,928	$ 935,264
Command, control & communications	325,527	282,998
Guidance, controls & navigation	99,287	79,304
Aircraft maintenance & modification	169,692	141,446
Total	$ 1,626,434	$ 1,439,012

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.50	—	—
1988	0.50	—	
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 561,126,000	$ 18.08
1988	490,948,000	15.89
1987	429,511,000	13.93
1986	376,971,000	12.39
1985	320,989,000	10.69

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,626,434	$ 1,439,012
Other income	6,515	4,123
Total income	$ 1,632,949	$ 1,443,135
Cost of sales	1,390,533	1,218,120
Expenses	113,641	106,295
Interest expense	10,226	9,058
Income before taxes	$ 118,549	$ 109,662
Income taxes	35,565	35,092
Net Income	$ 82,984	$ 74,570

* Included in Costs and Expenses, Depreciation and Amortization: $38,467,000 in 1989 and $34,123,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 13,052	$ 27,290
Accts. receiv., net	296,086	251,493
Unreimbursed costs & fees	131,748	106,333
Fixed-price contracts	78,339	94,831
Raw materials & purch. parts	8,062	9,425
Prepaid expenses	5,261	7,940
Current Assets	$ 532,548	$ 497,312
#Fixed assets	234,745	212,578
Prepaid pension costs	40,792	35,317
Defer. charges & other assets	44,060	13,035
Total Assets	$ 852,145	$ 758,242

Liabilities
(000's)

Short-term oblig. & long-term debt, curr.	$ 18,889	$ 19,982
Accts. payable	67,150	67,701
Accruals	72,859	49,207
Inc. taxes payable	3,724	3,418
Curr. Liabilities	$ 162,622	$ 140,308
Long-term debt	91,133	86,201
Deferred items	37,264	40,785
+Common stock	31,043	30,898
Add. paid-in capital	83,812	80,213
Retained earnings	446,271	379,837
Total Liabilities & Shareholders' Equity	$ 852,145	$ 758,242

# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.29	7.62
% Net Income to Sales	5.10	5.18
% Net Income to Equity	14.79	15.19
Debt to Equity	0.20	0.22
Working Capital	$ 369,926,000	$ 357,004,000
Current Ratio	3.27	3.54
Shareholders' Equity	$ 561,126,000	$ 490,948,000

Evans & Sutherland Computer Corporation

600 Komas Drive
P.O. Box 84158
Salt Lake City, Utah 84158
(801) 582-5847
FAX: (801) 583-9701

Officers: David C. Evans, chairman of the board; Rodney S. Rougelot, president & chief executive officer; Richard F. Leahy, v.p. & secretary-treasurer; Gary E. Meredith, v.p.; Susan K. Mickelsen, v.p.; J. Robert Driggs, v.p. & chief financial officer; C. Grant Schultz, controller.

Directors: David C. Evans, chairman; Ivan E. Sutherland, Peter O. Crisp, Rodney S. Rougelot, Stewart Carrell, Henry N. Christiansen, James C. Fletcher.

Areas of Work: Designs, manufactures, markets and services special purpose digital computers and software systems used in various operations which are aided by or require visual presentation of a digital model stored in the computer memory. Applications include pilot training simulators, design engineering work stations, graphics art design workstations and scientific research.

Subsidiaries:

Evans & Sutherland Ltd.
Cambridge, England
Develops, markets and services computer software products for use in geometric mechanical modeling and consulting services related to computer aided design.

Tripos Associates, Inc.
St. Louis, Missouri
Engaged in software development for molecular modeling.

Transfer Agent(s):

Zions First National Bank, N.A.
One South Main Street
Salt Lake City, Utah 84111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ESCC (NASDAQ)

Number of Employees:

1989	1,418	1986	1,200
1988	1,225	1985	1,000
1987	1,350		

Plant Footage:

1989	450,000 sq. ft.	1986	312,000
1988	494,000	1985	308,000
1987	319,000		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 138,564,000	$ 1,004,000
1988	129,625,000	1,887,000
1987	134,415,000	14,745,000
1986	109,264,000	10,877,000
1985	79,588,000	6,191,000

	No. of Com. Shares #	Earn. per Share ‡ #
1989	8,683,541	$ 0.12
1988	8,487,331	0.22
1987	8,557,742	1.72
1986	8,192,434	1.33
1985	8,638,698	0.72

‡ Including extraordinary gains of $1,109,000 ($0.13 per share) in 1989 and $1,094,141 ($0.13 per share) in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding fully diluted.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 101,020,000	$ 11.63
1988	97,794,000	11.52
1987	94,621,000	11.06
1986	76,664,000	9.36
1985	65,238,000	7.55

Based on the weighted average number of common shares and common share equivalents outstanding fully diluted.

Income Account *

Year ended	12/29/89	12/30/88
Net sales	$ 138,564,000	$ 129,625,000
Cost of sales	64,958,000	64,918,000
Expenses	78,475,000	64,878,000
Interest income	(4,545,000)	(4,479,000)
Interest expense	3,563,000	3,426,000
Other expense (income)	(2,620,000)	478,000
Inc. (loss) bef. taxes	$ (1,267,000)	$ 404,000
Tax credit	(1,162,000)	(389,000)
Net Income (Loss)	$ (105,000)	$ 793,000
Extraord. gain	1,109,000	1,094,000
Net Income (Loss) & extraord. gain	$ 1,004,000	$ 1,887,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,839,000 in 1989 and $9,652,000 in 1988.

Assets

As of	12/29/89	12/30/88
Cash & temp. cash invest.	$ 52,823,000	$ 47,590,000
Receivables, net	42,145,000	45,489,000
*Inventories	15,677,000	16,010,000
Costs in exc. of billings	24,517,000	11,285,000
Prepaid expenses	1,026,000	1,805,000
Current Assets	$ 136,188,000	$ 122,179,000

Investments	4,227,000	4,249,000
#Fixed assets	57,802,000	57,912,000
Other assets	2,395,000	2,672,000
Total Assets	$ 200,612,000	$ 187,012,000

Liabilities

Notes payable	$ 8,058,000	$ 457,000
Long-term debt, curr.	150,000	131,000
Accts. payable	7,001,000	6,504,000
Accruals	19,268,000	11,775,000
Cust. deposits	11,535,000	4,674,000
Income taxes	1,835,000	2,339,000
Deferred income taxes	(2,745,000)	1,556,000
Curr. Liabilities	$ 45,102,000	$ 27,436,000
Long-term debt	51,745,000	57,029,000
Deferred income taxes	2,745,000	4,753,000
+Common stock	1,712,000	1,686,000
Add. paid-in capital	14,691,000	12,577,000
Retained earnings	84,014,000	83,010,000
For. curr. trans. adjust.	784,000	613,000
Treasury stock	(181,000)	(92,000)
Total Liabilities & Shareholders' Equity	$ 200,612,000	$ 187,012,000

• Raw materials at lower of weighted average cost or market. Finished goods and work in progress stated at accum. mfg. costs, not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.31
%Net Income to Sales	—	0.61
%Net Income to Equity	—	0.81
Sales to Inventories	8.84	8.10
Debt to Equity	0.59	0.59
Working Capital	$ 91,086,000	$ 94,743,000
Current Ratio	3.02	4.45
Shareholders' Equity	$ 101,020,000	$ 97,794,000

Extek Microsystems, Inc.

6955 Hayvenhurst Avenue
Van Nuys, California 91406
(818) 989-2630
FAX: (818) 785-0341

Officers: Donald J. Farmer, president & treasurer; James R. Modrall, v.p.-engineering & operations; William E. Parke, v.p.-marketing; Bernard Shearer, secretary; Denise M. Gilmore, asst. secretary.

Directors: Donald J. Farmer, Bernard Shearer, Robert H. Webster.

Areas of Work: Designs, manufactures, and sells microfilm duplication products, and distributes microfilm equipment and film.

Transfer Agent(s):

City National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Number of Employees

1989 28
1988 32
1987 31
1986 33
1985 26

Plant Footage

1989 . . . . 25,000 sq. ft.
1988 25,000
1987 25,000
1986 25,000
1985 15,300

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 3,278,294	$ 3,812
1988	3,965,810	182,588
1987	3,922,816	(150,189)
1986	4,100,297	187,237
1985	3,171,580	138,745

	No. of Com. Shares	Earn. per Share ‡ +
1989	149,260	$ 0.02
1988	149,260	0.87
1987	149,260	—
1986	149,260	0.90
1985	149,260	0.66

(Loss)
‡ Including extraordinary gain of $43,000 ($0.20 per share) in 1988.
+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 1,552,756	$ 10.40
1988	1,551,344	10.39
1987	1,371,156	9.19
1986	1,523,745	10.21
1985	1,338,908	8.97

‡ After allowing for preferred stock at par value of $100 per share.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 3,278,294	$ 3,965,810
Other income	35,928	40,576
Total income	$ 3,314,222	$ 4,006,386
Cost of sales	1,972,358	2,554,432
Sell., gen. & adm. exp.	872,270	889,070
Research & develop.	423,614	317,245
Interest expense	41,518	40,551
Income before taxes	$ 4,462	$ 205,088
Income taxes	650	65,500
Net Income	$ 3,812	$ 139,588
Extraord. gain	—	43,000
Net Income & extraord. gain	$ 3,812	$ 182,588

* Included in Costs and Expenses, Depreciation and Amortization: $76,426 in 1989 and $78,523 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 29,849	$ 129,944
Receiv., net	651,921	667,646
• Inventories	1,183,707	1,154,425
Prepaid expenses & other assets	39,032	88,714
Refund inc. taxes	13,775	—
Current Assets	$ 1,918,284	$ 2,040,729
# Fixed assets	172,522	226,570
Other assets	39,698	15,781
Total Assets	$ 2,130,504	$ 2,283,080

Liabilities

Notes payable	$ 275,000	$ 148,000
Accts. payable & accruals	124,090	304,669
Accrued payroll	67,863	67,480
Income taxes	42,073	59,532
Long-term debt. curr.	34,722	83,333
Curr. Liabilities	$ 543,748	$ 663,014
Long-term debt	—	34,722
+ Preferred stock	34,000	34,000
++ Common stock	10,101	10,101
Add. paid-in capital	3,054,149	3,054,149
Deficit	(1,384,334)	(1,385,746)
Treasury stock	(127,160)	(127,160)
Total Liabilities & Shareholders' Equity	$ 2,130,504	$ 2,283,080

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; 8% cumulative convertible.
++ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.14	5.17
%Net Income to Sales	0.12	3.52
%Net Income to Equity	0.24	8.80
Sales to Inventories	2.77	3.44
Debt to Equity	0.20	0.17
Working Capital	$ 1,374,536	$ 1,377,715
Current Ratio	3.53	3.08
Shareholders' Equity	$ 1,586,756	$ 1,585,344

Fairchild Industries, Inc.

(On Aug. 18, 1989, the company was acquired by Banner Industries, Inc.)

Washington Dulles International Airport
300 West Service Rd., P.O. Box 10803
Chantilly, Virginia 22021
(703) 478-5800
FAX: (703) 478-5913

Officers: Emanuel Fthenakis, chairman of the board & chief executive officer; Peter A. Marino, president; John D. Jackson, sr. v.p. & secretary; John L. Flynn, v.p. & tax counsel; Harold R. Johnson, v.p.-business development; Jerry R. Lirette, v.p. & president-D-M-E Company; Michael T. Alcox, v.p. & asst. secretary; Dominic A. Petito, v.p. & asst. secretary; Donald S. Parker, v.p. & general counsel; Christopher Colavito, controller; Karen L. Schneckenburger, treasurer; Michael Vantusko, v.p. & asst. secretary.

Directors: Emanuel Fthenakis*, chairman; Michael T. Alcox, Mortimer M. Caplin*, John P. Calhoun, Thomas H. Moorer*, Dominic A. Petito, Robert V. Hansberger, Jeffrey J. Steiner, Natalia Steiner, R. James Woolsey*, Leonard Toboroff, E. Garrett Bewkes, Jr., Robert L. May, James C. Fletcher, Peter A. Marino.

* Member of the Executive Committee

Areas of Work: Aerospace & specialty fasteners products include aerospace pins and collars; lock bolts, blind bolts, blind rivets, nuts, special bolts and recessed fasteners and specialty fasteners. Industrial products include plastics injection molding tooling and electronic control systems, industrial controls and telecommunications equipment, primarily modems; also provides communications services.

Divisions and Subsidiaries:

Tridair Fasteners
3000 W. Lomita Blvd.
Torrance, California 90505
(213) 530-2220
Specialty fasteners.

Rosan Products
3130 West Harvard Street
Santa Ana, California 92704
(714) 641-8800

Camloc Products
601 Route 46 West
Hasbrouck Heights, New Jersey 07604
(201) 288-8300

Rexnord Aerospace Mechanisms
2530 Skypark Drive
Torrance, California 90505

Fairchild Communications Services Co.
Washington Dulles International Airport
P.O. Box 10804
300 West Service Road
Chantilly, Virginia 22021
(703) 478-5980
Telecommunications systems.

Harco
P.O. Box 767
557 South Douglas Street
El Segundo, California 90245
(213) 643-9400
Aerospace locknuts.

Fairchild Data Corporation
350 North Hayden Road
Scottsdale, Arizona 85257
(602) 949-1155
Satellite modems and other telecommunications equipment.

D-M-E Company
29111 Stephenson Highway
Madison Heights, Michigan 48071
(313) 398-6000
Standard mold bases and components for plastics and die casting industry.

Screwcorp
13001 East Temple Avenue
City of Industry, California 91746
(818) 369-3333
Aerospace fasteners.

Voi-Shan
8463 Higuera Street
Culver City, California 90232
(213) 202-8200
Aerospace fasteners.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: FEN

Number of Employees:

1989	2,800
1988	4,989
1987	4,877
1986	11,230
1985	12,380

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income †
1989*	$ 157,997,000	$ (11,113,000)
1988	308,252,000	26,973,000
1987	297,647,000	23,071,000
1986	267,884,000	(9,962,000)
1985	227,059,000	(167,095,000)

	No. of Com. Shares	Earn. per Share †#
1989*	14,603,994	$ —
1988	14,377,900	1.37
1987	14,126,371	0.84
1986	14,300,338	—
1985	13,716,740	—

(Loss)
* 6 months.
+ Of continuing operations only.
† Including extraordinary gains of $8,906,000 ($0.62 per share) in 1988 and $13,199,000 ($0.92 per share) in 1987.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Aerospace fasteners	$ 82,998	$ 174,382
Industrial prods.	65,556	120,383
Communications services	9,443	13,487
Total	$ 157,997	$ 308,252

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.10	—	—
1988	0.20	—	
1987	0.20	—	—
1986	0.20	—	—
1985	0.35	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 43,412,000	$ 2.97
1988	68,976,000 ‡	4.80
1987	46,622,000 ‡	3.30
1986	28,873,000	2.02
1985	45,396,000	3.16

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	6/30/89 (6 months)	12/31/88
Net sales	$ 157,997	$ 308,252
Other income	1,916	3,660
Interest income	2,330	9,667
Total income	$ 162,243	$ 321,579
Cost of sales	118,804	229,074
Expenses	36,956	59,235
Interest expense	9,658	19,723
Restruc. costs	20,415	1,839
Inc. (loss) bef. taxes	$ (23,590)	$ 11,708
Income taxes (credit)	(9,019)	5,281
Inc. (loss)-cont. oper.	$ (14,571)	$ 6,427
Inc.-discont. oper.	3,458	11,640
Net Income (Loss)	$ (11,113)	$ 18,067
Extraord. gain	—	8,906
Net Income (Loss) & extraord. gain	$ (11,113)	$ 26,973

* Included in Costs and Expenses, Depreciation and Amortization: $5,140,000 in 1989 and $10,513,000 in 1988.

Assets
(000's)

As of	6/30/89	12/31/88
Cash	$ 29,699	$ 69,633
Accts. receiv., net	45,265	45,376
Other receivables	11,450	10,540
* Inventories	76,459	71,386
Prepaid expenses	1,568	1,881
Current Assets	$ 164,441	$ 198,816
# Fixed assets	63,069	64,120
Cost in exc. of assets acq.	49,950	50,750
Other assets	10,697	16,411
Net assets-discont. oper	66,436	72,380
Total Assets	$ 354,593	$ 402,477

Liabilities
(000's)

Bank notes & long-term debt, curr.	$ 23,931	$ 23,906
Accts. payable	39,166	28,669
Accruals	57,796	34,746
Income taxes	2,927	3,656
Curr. Liabilities	$ 123,820	$ 90,977
Long-term debt	44,200	46,700
Other debt	8,631	33,911
Other liabilities	67,489	77,149
+ Redeemable pref. stock	67,041	74,504
++ Preferred stock	—	10,260
+++ Common stock	146	144
Add. paid-in capital	69,889	78,628
Retained earnings (deficit)	(26,852)	(11,444)
Cum. transl. adjust.	229	1,716
Treasury stock	—	(68)
Total Liabilities & Shareholders' Equity	$ 354,593	$ 402,477

* Lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $3.60 cumulative.
++ No par value; convertible.
+++ $0.01 par value.

Statistical Summary

%Net Income to Equity	—	34.04
Sales to Inventories	2.07	4.32
Debt to Equity	1.77	1.32
Working Capi...	$ 40,621,000	$ 107,839,000
Current Ratio	1.33	2.19
Shareholders' Equity	$ 43,412,000	$ 79,236,000

Fansteel Inc.

Number One Tantalum Place
North Chicago, Illinois 60064
(708) 689-4900
FAX: (708) 689--030

Officers: K. R. Garrity, chairman of the board & chief exec. officer; C. V. Emory, president & chief operating officer; C. D. Dannible, exec. v.p.-management planning & procurement; W. C. Herchenrider, exec. v.p.-marketing & sales; J. B Lambert, v.p. & corp. tech. director; R. W. McGinnis, v.p. & gen. mgr.-Custom Technologies Group; G. B. Lynch, v.p. & gen. mgr.-Precision Sheet Metal; P. J. Sandore, v.p. & gen. mgr.-VR/Wesson Group; S. M. Jacobsen, v.p. & chief financial officer; M. J. Mocniak, v.p., general counsel & secretary; R. M. McEntee, treasurer & asst. secretary.

Directors: Thomas M. Evans, Keith R. Garrity, C. J. Queenan, Jr., B. B. Evans, C. V. Emory, J. S. Petrik, T. M. Evans, Jr., C. D. Dannible.

Areas of Work: A specialty metals manufacturer of fabricated aircraft/aerospace and weapons systems components, forgings, sand mold and investment castings, cutting and milling tools, tool holding devices, coal mining tools and accessories, wear parts and special wire forms.

Divisions:

Custom Technologies
Highway #34 East
Creston, Iowa 50801
Manufactures high integrity products with particular expertise in large aluminum and magnesium sand castings used in helicopters, gas turbine engines and missile systems; manufactures investment castings and wire forms.

Escast
21 N. Church Street
Addison, Illinois 60101

Escast, Automated Equipment
2080 Limbus Avenue
Sarasota, Florida 34243

Washington Manufacturing
800 East 7th Street
P.O. Box 486
Washington, Iowa 52353

Wellman Dynamics
U.S. Route 34
P.O. Box 147
Creston, Iowa 50801

VR/Wesson
Plantsville
389 Marion Avenue
Plantsville, Connecticut 06479
Manufactures cutting and milling tools, tool holding devices, coal mining tools and accessories and wear parts.

Lexington
Lisle Road
P.O. Box 11399
Lexington, Kentucky 40575

Hydro Carbide
P.O. Box 363
Latrobe, Pennsylvania 15650

Hydro Carbide
P.O. Box 2368
Gulfport, Mississippi 39503

VR/Wesson Industrial Supply
500 Industrial Drive
Beckley, West Virginia 25801

Aerospace
Products and services include special material structures and fabrications primarily for aerospace/aircraft, and forgings.

California Drop Forge
1033 Alhambra Avenue
Los Angeles, California 90012
(213) 221-1134

Precision Sheet Metal
5235 W. 104th Street
Los Angeles, California 90045
(213) 670-1030

International

Interturbine Fansteel B.V.
Industrieterrein Spikwelen
Spiktweg 13-5943 AC Lomm
The Netherlands

Transfer Agent(s):

Mellon Bank N.A.

Stock Exchange(s): New York

Ticker Symbol: FNL

Number of Employees:

1989	1,945	1986	2,145
1988	2,018	1985	2,555
1987	2,012		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 168,590,274	$ 6,852,901
1988	168,491,967	2,151.849
1987	144,409,287	(2,953,988)
1986	165,252,000	2,773,855
1985	151,340,000	7,704,499

	No. of Com. Shares †	Earn. per Share †
1989	8,598,858	$ 0.80
1988	8,598,858	0.25
1987	8,598,858	—
1986	8,598,858	0.32
1985	8,598,858	0.90

(Loss)
+ Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Industrial tools	$ 49,382,628	$ 51,760,792
Metal fabrications	119,207,646	116,731,175
Total	$ 168,590,274	$ 168,491,967

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.60	—	—
1988	0.60	—	
1987	0.60	—	—
1986	0.60	—	—
1985	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 68,906,307	$ 8.01
1988	68,229,584	7.93
1987	71,057,152	8.26
1986	78,876,378	9.17
1985	80,796,791	9.40

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 168,590,274	$ 168,491,967
Cost of sales	140,736,51[illegible]	140,532,593
Expenses	18,730,560	18,746,072
Restruc. costs	1,302,754	1,570,033
Interest expense	2,438,946	2,502,899
Interest income	(887,876)	(770,045)
Other expense (income)	(77,508)	691,740
Income bef. taxes	$ 6,346,885	$ 5,218,675
Income taxes	2,215,000	1,966,000
Inc.-cont. oper.	$ 4,131,885	$ 3,252,675
Inc. (loss)-discont. oper.	2,721,016	(1,100,826)
Net Income	$ 6,852,901	$ 2,151,849

* Included in Costs and Expenses, Depreciation: $7,106,743 in 1989 and $7,384,407 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 19,923,090	$ 9,691,643
Accts. receiv., net	29,099,119	34,741,730
Income tax refunds	—	1,544,000
* Inventories	26,657,058	42,385,956
Prepaid expenses	668,852	1,433,427
Current Assets	$ 76,348,119	$ 89,796,756
Net assets-discont. oper.	3,261,754	4,617,898
# Fixed assets	21,104,515	27,779,822
Other assets	2,858,936	4,428,957
Total Assets	$ 103,573,324	$ 126,623,433

Liabilities

Short-term debt	$ —	$ 5,841,992
Long-term debt, curr.	653,338	4,796,194
Accts. payable	11,154,025	13,678,489
Accruals	13,840,361	10,617,417
Income taxes	2,127,299	405,908
Dividends payable	859,886	1,289,829
Curr. Liabilities	$ 28,634,909	$ 36,629,829
Long-term debt	1,432,108	21,764,020
Other liabilities	4,600,000	—
+ Common stock	21,497,145	21,497,145
Retained earnings	47,409,162	45,715,576
For. curr. trans.	—	1,016,863
Total Liabilities & Shareholders' Equity	$ 103,573,324	$ 126,623,433

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Net Income to Equity	9.95	3.15
%Sales to Inventories	6.32	3.98
Debt to Equity	0.03	0.47
Working Capital	$ 47,713,210	$ 53,166,927
Current Ratio	2.67	2.45
Shareholders' Equity	$ 68,906,307	$ 68,229,584

Federal Signal Corporation

1415 West 22nd Street
Oak Brook, Illinois 60521-9945
(708) 954-2000
FAX: (708) 954-2030

Officers: Joseph J. Ross, chairman, president & chief exec. officer; Charles R. Campbell, sr. v.p. & chief financial and administrative officer; Kim A. Wehrenberg, v.p., general counsel & secretary; Robert W. Racic, v.p. & treasurer; Richard L. Ritz, controller; Stephen C. Buck, v.p.-corp. development; Robert H. Freebeck, v.p.-corp. services.

Directors: J. Patrick Lannan, Jr., James A. Lovell, Jr., Thomas N. McGowen, Jr., Joseph J. Ross, Walter R. Peirson.

Areas of Work: Company operations are divided into four major groups: Signal, Sign, Tool, and Vehicle. Principal products include sirens, emergency lights, fire alarm systems, security and parking control systems, signs, fire trucks, street sweepers, special vehicle chassis, precision punches and cutting tools.

Divisions and Subsidiaries:

Signal Group

Signal Products
2645 Federal Signal Drive
University Park, Illinois 60466
(708) 534-3400
Warning, signaling and communications products for municipalities and industry.

Autocall, Inc.
41 East Tucker Avenue
Shelby, Ohio 44875
(419) 347-2400
Fire alarm and evacuation systems.

Federal APD Inc.
24700 Crestview Court
Farmington Hills, Michigan 48331
(313) 477-2700
Parking and access control systems.

Sign Group

Burr Ridge, Illinois
Arlington, Texas
Oceanside, California
Oak Brook, Illinois
Burr Ridge, Illinois
Daytona Beach, Florida

Tool Group

Dayton Progress Corporation
500 Progress Road
Dayton, Ohio 45449
(513) 859-5111
Precision punches and die components.

Manchester Tool Company
5142 Manchester Road
Akron, Ohio 44319
(216) 644-8853
Deep grooving tools.

Bassett Rotary Tool Company
710 West Fisher Street
Monticello, Indiana 47960
(219) 583-7166
Carbide cutting tools.

Jamestown Perforators Inc.
1914 Washington Street
Jamestown, New York 14701
(716) 664-7575
Metal punches, dies, and small tooling components.

Dayton Progress Canada, Ltd.
Weston, Ontario

Dayton Progress, Ltd.
Kent, England

Nippon Dayton Progress K.K.
Tokyo, Japan

Allied Tool Products
Milwaukee, Wisconsin

Manchester Tools, Ltd.
Abbeyleix, Ireland

Vehicle Group

Emergency One, Inc.
1701 S.W. 37th Avenue
Ocala, Florida 32678
(904) 237-1122
Aluminum-bodied fire trucks and rescue vehicles.

Federal Motors, Inc.
3611 S.W. 20th Street
Ocala, Florida 32678
(904) 237-6215
Custom chassis and special vehicles.

Elgin Sweeper Company
1300 West Bartlett Road
Elgin, Illinois 60121
(708) 741-5370
Street sanitation equipment including sweepers and vacuums.

Acquisitions:

American Eagle Fire Apparatus Company, Inc.
A manufacturer of custom fire trucks.

Electro Diecraft
A Canadian tool manufacturer.

Sign Systems, Inc.
A custom sign manufacturer.

Transfer Agent(s):

Harris Trust and Savings Bank
Shareholder Services Division
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: FSS

Number of Employees:

1989	4,318	1986	3,388
1988	4,067	1985	3,422
1987	3,842		

Sales & Earnings

	Net Sales	Net Income
1989	$ 414,200,000	$ 23,000,000
1988	375,400,000	18,600,000
1987	320,000,000	14,900,000
1986	285,200,000	11,800,000
1985	279,700,000	11,700,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	15,368,000	$ 1.50
1988	15,213,000	1.22
1987	15,712,000	0.95
1986	15,589,000	0.76
1985	15,112,000	0.78

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1989	1988
Signal	$ 90,188,000	$ 91,492,000
Vehicle	162,371,000	148,820,000
Sign	76,945,000	56,752,000
Tool	84,727,000	78,383,000
Total	$ 414,231,000	$ 375,447,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.56	—	3-for-2
1988	0.48	10%	
1987	0.44	10%	—
1986	0.44	—	—
1985	0.44	—	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 130,400,000	$ 8.49
1988	115,500,000	7.59
1987	103,200,000	6.57
1986	102,400,000	6.57
1985	91,100,000	6.03

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 414,231	$ 375,447
Cost of sales	272,235	246,073
Expenses	98,344	93,991
Interest expense	7,273	6,496
Other expense (income)	390	(74)
Income before taxes	$ 35,989	$ 28,961
Income taxes	10,975	10,410
Net Income	$ 23,014	$ 18,551

* Included in Costs and Expenses, Depreciation: $8,128,000 in 1989 and $7,258,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 2,503	$ 908
Accts. receiv., net	65,896	60,803
*Inventories	51,938	54,999
Prepaid expenses	2,855	2,512
Current Assets	$ 123,192	$ 119,222
#Fixed assets	53,382	51,637
Goodwill	22,854	18,893
Deferred charges & other assets	4,198	4,493
Financial serv. activities	67,689	56,822
Total Assets	$ 271,315	$ 251,067

Liabilities
(000's)

Short-term borrowings	$ 1,212	$ 6,532
Accts. payable	14,227	13,409
Accrued compensation	17,174	16,057
Other accruals	21,318	18,260
Income taxes	5,484	5,461
Curr. Liabilities	$ 59,415	$ 59,719
Long-term debt	13,433	18,608
Deferred inc. taxes	9,459	8,495
Financial serv. activities	58,569	48,747
+Common stock	15,315	10,137
Add. paid-in capital	93,339	97,232
Retained earnings	22,869	8,417
Treasury stock	(386)	—
Deferred stock awards	(1,174)	(1,123)
For. curr. trans. adjust.	476	835
Total Liabilities & Shareholders' Equity	$ 271,315	$ 251,067

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.69	7.71
%Net Income to Sales	5.56	4.94
%Net Income to Equity	17.64	16.06
Sales to Inventories	7.98	6.83
Debt to Equity	0.11	0.64
Working Capital	$ 59,503,000	$ 59,503,000
Current Ratio	2.00	2.00
Shareholders' Equity	$ 130,439,000	$ 115,498,000

Federated Purchaser, Inc.

50 Lafayette Place
Kenilworth, New Jersey 07033
(201) 272-0505
FAX: (201) 272-1336

1425 East Woodlawn Street
Allentown, Pennsylvania 18103
(215) 437-4481

Officers: Arthur C. Kammerman, chairman; Harry J. Fallon, president; Steven J. Jordan, v.p.-sales & marketing; Jane A. Christy, v.p.-operations; Marie Santasiri, secretary; William Hall, treasurer & controller.

Directors: Arthur C. Kammerman, chairman; Edmund L. Hoener, Harry J. Fallon, Jane A. Christy, Steven J. Jordan, Warren K. Schoonmaker, Edwin S. Shortess.

Areas of Work: Engaged in the marketing of electronic parts, components and equipment to industrial customers. These products include a broad range of products, including semiconductors, wire, transformers, relay systems, capacitors and electronic tubes.

Acquisition:

Freedom Electronics Corporation
Atlantic Highlands, New Jersey
Engaged in the wholesale distribution of electronic components and also performs contract manufacturing for industrial customers.

Transfer Agent(s):

The National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EFDP (NASDAQ)

Number of Employees:

1989	26	1988	28

Federated Purchaser, Inc.

Sales & Earnings

	Net Sales	Net Income
1989	$ 7,994,506	$ 248,252
1988	6,512,198	123,293
1987	5,625,766	(28,087)
1986	5,864,255	110,963
1985	6,970,733	216,296

	No. of Com. Shares +	Earn per Share +
1989	1,670,312	$ 0.15
1988	1,632,389	0.08
1987	1,629,535	—
1986	1,720,385	0.06
1985	1,720,053	0.13

(Loss)
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.03	—	—
1988	—	—	
1987	0.03	—	—
1986	0.06	—	—
1985	0.06	—	5-for-4

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 2,629,163	$ 1.54
1988	2,331,207	1.43
1987	2,199,943	1.35
1986	2,330,901	1.35
1985	2,342,963	1.36

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended Oct. 31	1989	1988
Revenues:		
Sales	$ 7,947,577	$ 6,512,198
Warehouse serv.	46,929	—
Total revenues	$ 7,994,506	$ 6,512,198
Cost of sales	5,868,649	4,944,917
Expenses	1,721,357	1,371,532
Depreciation & amortization	78,620	54,687
Interest income	(86,453)	(52,555)
Other income	(3,466)	(7,656)
Income bef. taxes	$ 415,799	$ 201,273
Income taxes	167,547	77,980
Net Income	$ 248,252	$ 123,293

Assets

As of Oct. 31	1989	1988
Cash	$ 352,286	$ 431,738
Cert. of deposit	648,133	648,000
Accts. receiv., net	1,240,278	915,212
*Inventories	1,202,868	613,139
Prepaid expenses	42,496	40,642
Current Assets	$ 3,486,061	$ 2,648,731
#Fixed assets	253,624	109,899
Other assets	128,292	25,500
Total Assets	$ 3,867,977	$ 2,784,130

Liabilities

Cap. lease oblig., curr.	$ 2,001	$ —
Note payable	92,755	—
Accts. payable	589,929	312,782
Accruals	282,983	135,635
Curr. Liabilities	$ 967,668	$ 448,417
Notes payable	267,525	—
Deferred income taxes	3,621	4,506
+Common stock	171,976	171,976
Add. paid-in capital	1,692,342	1,640,318
Retained earnings	775,910	577,017
Treasury stock	(11,065)	(58,104)
Total Liabilities & Shareholders' Equity	$ 3,867,977	$ 2,784,130

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.23	3.09
%Net Income to Sales	3.12	1.89
%Net Income to Equity	9.44	5.29
Sales to Inventories	6.61	10.62
Debt to Equity	0.14	—
Working Capital	$ 2,518,393	$ 2,200,314
Current Ratio	3.60	5.91
Shareholders' Equity	$ 2,629,163	$ 2,331,207

Fifth Dimension Inc.

801 New York Avenue
Trenton, New Jersey 08638
(609) 393-8350
FAX: (609) 599-9508

Officers: Sheldon Bitko, president; Alfred R. Senni, exec. v.p. & chief exec. officer; Elaine H. Cain, secretary & treasurer.

Directors: Frederick J. Grunwald, Charles Wohlstetter, Charles Davidoff, Frederick C. Scherer, Lee R. Marks, Sheldon Bitko, Alfred R. Senni.

Areas of Work: The Company's business falls into two broad groups: manufacture of telemetry equipment and industrial components. The principal products of the telemetry group include slip rings and commutators. The primary markets for this type of equipment are the defense and the aerospace industries; secondary markets are the Atomic Energy Commission and other private industries. The principal products of the components group include a family of mercury film switches and relays (sold under the name LOGCELL, or more specifically LC1 and LC2), sold mostly to industrial users. Other components include tilt switches for military, commercial and industrial applications. Glass-metal seals are hermetic seals which allow electric signals into a chamber without allowing in the outside atmosphere or any contamination. These seals are used in transitors, tubes, relays and a myriad of other components.

Transfer Agents(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIVD (NASDAQ)

Number of Employees:

1989	68	1986	59
1988	65	1985	57
1987	60		

Plant Footage:

1989	18,000 sq. ft.	1986	18,000
1988	18,000	1985	18,000
1987	18,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 3,608,162	$ 268,483
1988	3,398,120	289,503
1987	2,781,565	178,837
1986	2,996,353	194,007
1985	2,589,359	187,911

	No. of Com. Shares ‡	Earn. per Share ‡
1989	729,122	$ 0.37
1988	729,122	0.40
1987	729,122	0.25
1986	729,122	0.27
1985	729,122	0.26

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 1,750,816	$ 2.40
1988	1,482,333	2.03
1987	1,192,830	1.64
1986	1,013,993	1.39
1985	819,986	1.12

† Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 3,608,162	$ 3,398,120
Cost of sales	2,446,328	2,241,337
Expenses	733,605	732,597
Interest expense	21,645	27,473
Other income	(20,256)	(49,005)
Income before taxes	$ 426,840	$ 445,718
Income taxes	158,357	156,215
Net Income	$ 268,483	$ 289,503

* Included in Costs and Expenses, Depreciation: $89,275 in 1989 and $78,252 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 268,642	$ 210,657
Accts. receiv., net	1,022,207	790,728
*Inventories	610,817	491,334
Prepaid expenses	52,909	53,364
Current Assets	$ 1,954575	$ 1,546,083
#Fixed assets	626,693	627,873
Total Assets	$ 2,581,268	$ 2,173,956

Liabilities

Notes payable	$ 49,917	$ 76,493
Accts. payable	248,916	117,303
Accrued compensation	160,000	177,858
Other accruals	59,505	74,933
Income taxes payable	127,884	—
Deferred income taxes	—	24,496
Curr. Liabilities	$ 646,222	$ 471,083
Notes payable	125,721	175,638
Deferred income taxes	58,509	44,902
+Common stock	364,936	364,936
Add. paid-in capital	403,663	403,663
Retained earnings	982,545	714,062
Treasury stock	(328)	(328)
Total Liabilities & Shareholders' Equity	$ 2,581,268	$ 2,173,956

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.83	13.12
%Net Income to Sales	7.44	8.52
%Net Income to Equity	15.33	19.53
Sales to Inventories	5.91	6.92
Debt to Equity	0.10	0.17
Working Capital	$ 1,308,353	$ 1,075,000
Current Ratio	3.02	3.28
Shareholders' Equity	$ 1,750,816	$ 1,482,333

Figgie International Inc.

4420 Sherwin Road
Willoughby, Ohio 44094
(216) 953-2700
FAX: (216) 951-1724

Officers: Harry E. Figgie, Jr., chairman of the board and chief executive officer; Vincent A. Chiarucci, president; James S. Anderson, sr. v.p.-human resources; Donald L. Bottom, group v.p.; Charles B. Miner, group v.p.; Mike Trbovich, group v.p.; Joseph J. Skadra, v.p. & controller; Dean E. Steel, v.p.-government affairs; Larry G. Schwartz, v.p.-manufacturing; L. A. Harthun, sr. v.p.-international, general counsel & secretary; Charles C. Rieger, Jr., group v.p.; Woodson S. Carlisle, Jr., v.p. & treasurer; Mary C. Cleary, v.p. & asst. to chairman; Richard A. Foster, v.p..

Directors: Harry E. Figgie, Jr., chairman; Vincent A. Chiarucci, Dale S. Coenen, Ewing T. Boles, Alfred V. Gangnes, Walter M. Vannoy, Robert A. Weaver, Jr., Gerald K. Rugger, Russel W. McFall, Harrison Nesbit, II, Harold B. Scott, Harry E. Figgie, III, John S. Lanahan, F. Rush McKnight, C. B. Robertson, III, A. A. Sommer, Jr..

Areas of Work: Figgie International operations are represented in the following groups: Technical, Fire Protection & Safety, Automation Services, Consumer, Machinery and Allied Products, & Safety Products Distribution.

Divisions and Subsidiaries:

Hartman Electrical Manufacturing
175 North Diamond Street
Mansfield, Ohio 44902
(419) 524-1411
Electrical power switching and solid state controls. Contractors, relays and protective devices.

Interstate Electronics Corporation
1001 East Ball Road
Anaheim, California 92803
(714) 758-0500
Voice data entry computer terminals; Plasma display terminals; Military command and control display systems; Signal processing systems; Off-shore oil platform data systems; Environmental surveys and services; Instrumentation and missile tracking systems.

Figgie Licensing Corporation
Glen Allen, Virginia 23060
(804) 264-5660
Worldwide trademark licensing of consumer products, principally Fred Perry and Rawlings Sportswear, activewear and hard goods.

Rawlings Sporting Goods
2300 Delmar Boulevard
St. Louis, Missouri 63126
(314) 349-3500
Full line of sports equipment for baseball, football, basketball, soccer, boxing, badminton, golf, hockey, tennis and wrestling. Uniforms, jackets and shoes.

Fred Perry Sportswear (U.K.) Ltd.
Bridport Road
London N18 1SN, England
Designer, manufacturer and worldwide marketer of high fashion tennis clothing and sports apparel.

Interstate Engineering
522 East Vermont Avenue
Anaheim, California 92805
(714) 778-5700
Residential smoke detectors and fire alarms. Compact home vacuum cleaners. Wireless IEC Security System. Aluminium and zinc die castings.

Thermometer Corporation of America
Fletcher, North Carolina 28732
(704) 684-5178
Thermometers, hydrometers, humidity and weather instruments. Tru-Temp and Taylor thermometers and cooking instruments.

Sherwood-Drolet Corp., Ltd.
2745 Sherwood Blvd
Sherbrooke, Quebec J1K 1E1, Canada
(819) 563-2202
Designs, manufactures and distributes Sher-Wood and Chimo hockey sticks, and Chimo clothing.

Figgie Consumer Products Licensing Division
Glen Allen, Virginia 23060
(804) 264-5735

Advance Security
3330 Peachtree Road
Atlanta, Georgia 30305
(404) 231-1210
Security consultation. Uniformed security guards. Fire, safety, security systems and equipment. Industrial and business investigative service. Large area protection.

"Automatic" Sprinkler Corp. of America
P.O. Box 180
Cleveland, Ohio 44147
(216) 526-9900
Sprinkler systems; control valves; sprinkler heads; spray nozzles; "Rate-of-Rise" and electric detection systems; electronic control panels; alarms; hydraulically calculated and special hazards fire protection systems. Fabrication, inspection and maintenance services; Range Guard fire extinguishing systems.

Badger-Powhatan
P.O. Box 7146
Charlottesville, Virginia 22906
(804) 973-4361
Portable water, carbon dioxide, and dry chemical fire extinguishers. Halong systems. Range hoods. "Blaze Guard" fire hose and couplings. Brass products for fire protection, industrial and municipal applications.

Scott Aviation
225 Erie Street
Lancaster, New York 14086
(716) 683-5100
Oxygen and air breathing systems, light aircraft accessories. Gas masks and respiratory devices. Gas analyzers and alarms. Air pollution detection and control equipment. Safety and first aid equipment.

Snorkel-Economy
P.O. Box 65-Stockyards Station
St. Joseph, Missouri 64505
(913) 989-4481
Aerial type water delivery systems for fire fighting apparatus, articulated and telescopic booms, extendable ladders and aerial platforms.

Consolidated Packaging Machinery
11980 Waldon Avenue
Alden, New York 14004
(716) 937-3361
High-speed automatic capping equipment for bottles, cans and other containers; crimpers; cotton stuffers; scales; bagclosers, gravity paper bag fillers and closers.

Geo. J. Meyer Manufacturing
Charleston, South Carolina 29445
(803) 572-6640
Packaging and bottling equipment. Labeling machinery. Case palletizers. Bottle rinsing and inspection equipment.

Huber Essick
P.O. Box 10263
Charleston, South Carolina 29445
(803) 797-5300
Road-building and construction equipment, Huber motor grader, rollers and maintainers, Scott hydraulic cranes. Smith truck-mounted turbine and tilter concrete mixers.

American LaFrance
600 Mountain Lane
Bluefield, Virginia 24605
(703) 326-1121
Battery-powered tractors, scoops, supply cars, coal cars, hydraulic self-unloading cars; battery chargers; batteries and motors for underground coal mining.

Logan Co.
P.O. Box 6107
Louisville, Kentucky 40206
(502) 587-1361
Conveyor equipment and material handling systems. Wire partitions and window guards, folding gates. Spiral stairs and ornamental ironwork. Automated package and parcel sorting systems.

Safway Steel Products
6228 West State Street
Milwaukee, Wisconsin 53213
(414) 258-2700
Steel scaffolding and shoring systems. Portable bleachers. Powered mobile platforms and swing stages.

SpaceGuard Products
Indianapolis, Indiana 46220
(317) 255-5427
Manufactures woven wire partitions for use in securing areas such as tool cribs and stockrooms for industrial use.

ASCOA Fire Systems
Cleveland, Ohio 44147
(216) 526-8980

CASI-RUSCO
Boca Raton, Florida 33487
(407) 997-9660
Manufactures and markets computer-based access control equipment and monitoring systems.

Akron Packaging Machinery
Akron, Ohio 44313
(216) 923-0491
Case packers; uncasers; container dividers; combiners.

LIN-ACT
Rockford, Illinois 61130
(815) 633-1777

Alfa Packaging Equipment
Mantova, Italy
37-630-2158
Manufactures high-speed labeling equipment for food, pharmaceutical, alcohol, beverage, petroleum and cosmetic products.

Continental Container Systems
West Chicago, Illinois 60185
(312) 293-0330
Manufactures high-speed can closing machines for the food and beverage industries.

S-P Manufacturing
Solon, Ohio 44139
(216) 248-6161
Manufactures chucks and other work-holding products, and pneumatic and hydraulic cylinders for industry.

Stallman Gear
527 W. Rich Street
Columbus, Ohio 43215
(614) 224-3394
Manufacturer of gear, splined shafts and sprockets supplying the mining machinery, construction equipment, hydraulic gear pump and other machinery markets.

Greer Hydraulics
Cleveland, Ohio 44112
(216) 481-6686
Manufactures hydraulic components and fluid power products.

CRK Industries
Traverse City, Michigan 49684
(616) 947-5755

Other Services:

Waite Hill Holdings, Inc.
Glen Allen, Virginia 23060
(804) 292-6667
Diversified underwriting.

Colony Insurance Company
Warwick, Rhode Island 02886
(401) 732-0590
Property/casualty underwriting.

Cardinal Casualty Company
Cleveland, Ohio 44130
(216) 826-0335
Property/casualty underwriting.

Waite Hill Services, Inc.
Glen Allen, Virginia 23060
(804) 261-7000
Insurance services.

Figgie Properties, Inc.
Cleveland, Ohio 44130
(216) 826-0335
Real estate management and development.

Figgie Natural Resources
Glen Allen, Virginia 23060
(804) 264-5775
Oil and gas investments.

Figgie Leasing Corporation
Glen Allen, Virginia 23060
(804) 264-5667
Engaged in vehicle management and leasing services.

International Operations Group

Geo. J. Meyer (Australia) Pty. Ltd.
Logan-Fenamec Pty. Ltd.
Australia

Figgie do Brasil Industria e Commercio Ltda.
Mojonnier do Brasil Industria e Commercio de Equipamentos Ltda
Brazil

Logan Fenamec Transporttechnik GmbH
Germany

Carter Controls GmbH
Germany

CASI-RUSCO Europe
France

Figgie International Sports, Ltd. S.A
Haiti

Rawlings Japan Co., Ltd.
Japan

Geo. J. Meyer Mfg. Canada, Ltd.
Sherwood-Drolet Corp. Ltd.
Thermometer Corporation of Canada Ltd.
Adirondack-Sherwood, Inc.
"Automatic" Sprinkler of Canada, Ltd.
Carter Controls Canada Ltd.
Canada

Carter Controls GmbH
Logan Fenamec Transporttechnik GmbH
Germany

Geo. J. Meyer de Mexico, S.A. de C.V.
Greer-Mexico, S.A. de C.V.
Mojonnier de Mexico, S de R.L. de C.V.
Maquiladora TCA de Juarez, S.A. de C.V.
Mexico

Wimbeldon Shirt Company Limited
Fred Perry & Paynes Ltd.
W. Payne & Company, Ltd.
Figgie (G.B.) Ltd.
Fred Perry Sportswear (U.K.) Ltd.
Logan Fenamec (UK) Ltd.
Fred Perry Sportswear Ltd.
Meyer Mojonnier Ltd.
Carter Controls (U.K.) Ltd.
Figgie Investment Trustee Ltd.
Figgie Pension Trustee Ltd.
United Kingdom

Logan Transportteknik AB
Sweden

Figgie de Costa Rica, S.A.
Costa Rica

Figgie International (H.K.) Ltd.
Hong Kong

Alfa Costruzioni Mecchaniche SpA
Omega SpA, Italy

Figgie Foreign Sales Corp.
Economy Engineering International Sales Corp.
U.S. Virgin Islands

"Automatic" Sprinkler Nederland B.V.
Netherlands

Chemetronics Caribe, Inc.
Puerto Rico

Transfer Agent(s)

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIGIA and FIGI (NASDAQ)

Number of Employees:

1989	17,000	1986	16,300
1988	17,400	1985	15,970
1987	16,400		

Plant Footage:

1989	N.A.	1987	5,484,260
1988	5,482,186 sq. ft.		

N.A.- Not Available

Sales & Earnings

	Net Sales +	Net Income
1989	$ 1,298,026,000	$ 62,926,000
1988	1,172,784,000	61,875,000
1987	1,022,692,000	49,340,000
1986	919,818,000	42,426,000
1985	803,412,000	29,238,000

	No. of Com. Shares †	Earn. per Share #
1989	18,909,822	$ 3.04
1988	22,290,009	3.01
1987	20,352,213	2.34
1986	21,232,203	2.10
1985	17,974,473	1.68

+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Consumer	$ 175,342	$ 185,068
Fire protection/safety/secur	461,536	372,313
Machinery & products	384,411	339,006
Technical	265,119	263,866
Services	27,076	39,909
Total	$ 1,313,484	$ 1,200,162

Including insurance premiums and services, and finance income.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.80	—	3-for-1
1988	0.72	—	
1987	0.56	—	—
1986	0.49	—	—
1985	0.23	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 316,504,000	$ 16.74
1988	365,770,000	16.41
1987	321,471,000	15.80
1986	292,591,000	13.78
1985	219,488,000	12.21

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,298,026	$ 1,172,784
Insurance premiums & svcs.	10,875	8,737
Leasing income	4,583	3,893
Other income	23,997	5,365
Total income	$ 1,337,481	$ 1,190,779
Cost of sales	970,238	879,209
Underwriting losses	6,393	4,988
Leasing expenses	8,536	7,960
Expenses	206,749	181,231
Interest expense	32,791	20,923
Restruc. charges	13,566	1,132
Income before taxes	$ 99,208	$ 95,336
income taxes	36,351	35,220
Inc.-cont. oper.	$ 62,857	$ 60,116
Inc.-discont. oper.	69	1,759
Net Income	$ 62,926	$ 61,875

* Included in Costs and Expenses, Depreciation and Amortization: $35,111,000 in 1989 and $31,449,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 19,979	$ 19,244
Marketable secur.	63,124	45,604
Accts. & notes receiv., net	275,524	237,541
*Inventories	216,339	188,666
Prepaid expenses	11,524	10,589
Current Assets	$ 586,490	$ 501,644
#Fixed assets	272,579	246,283
Net assets-discont. oper.	27,991	40,133
Investments in affil.	2,260	8,967
Patents	2,149	2,461
Goodwill	80,957	78,084
Prepaid pension costs	4,190	18,872
Other assets	50,590	30,603
Total Assets	$ 1,027,206	$ 927,047

Liabilities
(000's)

Notes payable	$ 10,966	$ 55,810
Long-term debt, curr.	17,473	11,054
Accts. payable	82,784	[illegible],283
Accruals	71,218	79,580
Unearned premiums	7,358	4,691
Insurance loss reserves	36,923	43,528
Income taxes	49,346	259
Curr. Liabilites	$ 276,068	$ 283,205

Long-term debt	366,614	185,992
Deferred inc. taxes	30,557	68,587
Other liabilities	37,463	23,493
+Common stock:		
Class A	1,360	541
Class B	531	201
Add. paid-in capital	131,035	146,138
Retained earnings	254,315	280,992
Unearned compensation	(63,324)	(33,635)
Note receiv. from ESOP	—	(24,569)
Cumulative translation adjustment	(7,238)	(3,826)
Unreal. loss on invest.	(175)	(72)
Total Liabilities & Shareholders' Equity	$ 1,027,206	$ 927,047

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	19.88	16.92
Sales to Inventories	6.00	6.22
Debt to Equity	1.25	0.69
Working Capital	$ 310,422,000	$ 218,439,000
Current Ratio	2.12	1.77
Shareholders' Equity	$ 316,504,000	$ 365,770,000

Finnigan Corporation

355 River Oaks Parkway
San Jose, California 95134-1991
(408) 433-4800

NOTE: On Apr. 30, 1990, Thermo Instrument Systems Inc. announced that it commenced, through a wholly owned subsidiary, a cash tender offer for all outstanding shares of common stock of Finnigan.

Officers: T. Z. Chu, chairman of the board & president; Robert E. Finnigan, vice chairman & sr. v.p.; John R. Hearn, exec. v.p.; Henry P. Massey, Jr., general counsel & secretary; Edward J. McGonagle, v.p.-information and administrative systems; Steven R. Wade, v.p., chief financial officer & treasurer; Philip L. Warren, v.p. & gen. mgr.-field operations; Ernst Weber, v.p. & gen. mgr.-Bremen operations; Frank B. Williams, v.p.-human resources; Ronald D. Smith, v.p. & managing dir.-Finnigan MAT Ltd.; David W. Hoyt, corp. controller; Leonard J. Zanoni, asst. treasurer; Brenda Webb Bruni, asst. secretary.

Directors: T. Z. Chu, chairman of the board; Alexander D. Cross, Robert E. Finnigan, Henry E. Riggs, Roger W. Sant, R.C. Mercure, Jr., Peter H. Hengel.

Ares of Work: Manufactures and sells high-technology products, which include gas chromatography/mass spectrometry analytical instruments, shaft encoders and precision mechanical subsystems for scientific instruments. Products are used in pharmaceutical and biomedical, pollution measurement, forensic science and industrial process control fields.

Subsidiaries:

Finnigan MAT
355 River Oaks Parkway
San Jose, California 95134-1991
(408) 433-4800

Finnigan MAT GmbH
Barkhausenstrasse 2
Postfach Box 14 40 62
D-2800 Breman 14, Federal Republic of Germany

Finnigan MAT Ltd.
Paradise
Hemel Hempstead, Herts. HP2 4TG, United Kingdom

Finnigan MAT Institute
4450 Carver Woods Drive
Cincinnati, Ohio 45242
(513) 891-2100

Finnigan MAT S.a.r.l.
Parc Club Orsay Universite
2, rue J. Monod
F-91893 Orsay Cedex, France

Finnigan MAT S.r.l.
Via Valadier, 37B
00193 Rome, Italy

Finnigan MAT Instruments, Inc.
Shiozaki Building
2-7-1 Hirakawa-cho
Chiyoda-Ku, Tokyo, Japan 102

Finnigan MAT China, Inc.
Room 3702, Friendship Hotel
Beijing, People's Republic of China

Finnigan MAT Benelux
Landjuweel 7
3905 PE Veenedaal, The Netherlands

Finnigan MAT AB
Vastertorpsvagen 135
S-126 59 Hagersten, Sweden

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FNNG (NASDAQ)

Number of Employees:

1988	1,048	1985	969
1987	958	1984	879
1986	1,005		

Plant Footage:

1988	426,500 sq. ft.	1985	368,000
1987	379,500	1984	368,000
1986	368,000		

Sales & Earnings

	Revenues +	Net Income †
1988	$ 130,732,000	$ 8,162,000
1987	110,313,000	5,112,000
1986	87,795,000	(1,470,000)
1985	80,591,000	4,408,000
1984	65,093,000	2,629,000

	No. of Com. Shares #	Earn. per Share †#
1988	5,453,000	$ 1.50
1987	5,106,000	1.00
1986	4,841,000	—
1985	4,403,000	1.00
1984	4,230,000	0.62

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $715,000 ($0.14 per share) in 1987, $398,000 ($0.09 per share) in 1985 and $771,000 ($0.18 per share) in 1984.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 65,693,000	$ 12.05
1987	48,420,000	9.48
1986	40,913,000	8.45
1985	32,975,000	6.63
1984	22,000,000	4.57

# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Dec. 31	1988	1987
Net sales	$ 130,732,000	$ 110,313,000
Cost of sales	72,042,000	63,964,000
Expenses	44,859,000	36,558,000
Interest expense	1,177,000	1,796,000
Income bef. taxes	$ 12,654,000	$ 7,995,000
Income taxes	4,808,000	3,598,000
Net Income	$ 7,846,000	$ 4,397,000
Extraordinary gain	—	715,000
Cum. effect of acct. change	316,000	—
Net Income & extraord. gain	$ 8,162,000	$ 5,112,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,801,000 in 1988 and $3,492.000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 13,148,000	$ 4,672,000
Accts. receiv., net	36,284,000	32,051,000
*Inventories	34,227,000	33,354,000
Deferred tax benefit	2,571,000	2,115,000
Prepaid expenses	771,000	801,000
Current Assets	$ 87,001,000	$ 72,993,000
#Fixed assets	37,177,000	35,545,000
Other assets	2,067,000	1,651,000
Total Assets	$ 126,245,000	$ 110,189,000

Liabilities

Notes payable	$ 4,574,000	$ 4,228,000
Accts. payable	6,626,000	6,415,000
Accrued payroll	6,253,000	5,665,000
Accrued income taxes	2,177,000	1,732,000
Reserve for warranty	4,805,000	5,433,000
Cust. deposits	6,619,000	6,599,000
Other accruals	5,981,000	3,282,000
Curr. Liabilities	$ 37,035,000	$ 33,354,000
Long-term debt	14,507,000	18,680,000
Deferred employee benefits	5,317,000	5,343,000
Deferred inc. taxes	3,693,000	4,392,000
+Common stock	37,320,000	27,687,000
Accumulated translation adjustments	2,655,000	3,177,000
Retained earnings	25,718,000	17,556,000
Total Liabilities & Shareholders' Equity	$ 126,245,000	$ 110,189,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.68	7.25
%Net Income to Sales	6.00	3.99
%Net Income to Equity	11.94	9.08
Sales to Inventories	3.82	3.31
Debt to Equity	0.29	0.47
Working Capital	$ 49,966,000	$ 39,639,000
Current Ratio	2.35	2.19
Shareholders' Equity	$ 65,693,000	$ 48,420,000

Fischer & Porter Company

County Line Road
Warminster, Pennsylvania 18974
(215) 674-6000
FAX: (215) 674-7183

Fischer & Porter Company

Officers: Jay H. Tolson, chairman of the board & president; Laurence P. Finnegan, Jr., sr. v.p., chief financial officer & treasurer; David J. Nessim, vice chairman; Hubert A. Riester, sr. v.p.; Geoffrey H. Sayer, exec. v.p.; Edward A. France, Jr., exec. v.p.; Joseph A. Gaudiosi, asst. treasurer; Nathan T. Schelle, v.p.-controller & asst. secretary; Frances O. Trace, asst. secretary, Joseph P. Garay, secretary & general counsel.

Directors: Jay H. Tolson, chairman; Gloria T. Chisum, David J. Nessim, Louis G.L. Thomas, Ram Charan, William L. Mobraaten, Stuart J. Northrop, Richard G. Gilmore, Paul G. Stern.

Areas of Work: Designs, engineers, manufactures and sells process control instruments, equipment and systems, including maintenance services and replacement parts for the measurement, recording and control of the flow of liquids and gases for municipal and industrial water, wastewater, and sewage treatment and distribution; and for industrial process control in the petrochemical, pulp and paper, food, metal, mining, electrical power generation, marine and aerospace industries. Products include flow measurement instruments and instruments of a mechanical and electronic type; analytical instruments and chlorinators; analog, digital and microprocessor-based process controllers and distributed control systems.

Subsidiaries

Fischer & Porter Pty., Limited
474-478 Princes Highway
Noble Park, Victoria 3174, Australia

Fischer & Porter (Canada) Limited
134 Norfinch Drive
City of North York, Ontario M3N 1X7, Canada

Fischer & Porter Limited
Salterbeck Trading Estate
Workington, Cumbria CA14 5DS, England

OTIC-Fischer & Porter
151 bis Avenue de la Liberation
6300 Clermont-Ferrand, France

Fischer & Porter GmbH
Postfach 1843
D-3400 Goettingen, West Germany

Fischer & Porter Italiana, S.p.A.
P.O. Box 44, Via Gorizia 16
20063 Cernusco Sui/Naviglio
Milan, Italy

Fischer & Porter Research, Inc.
Warminster, Pennsylvania

Fischer & Porter European Operations
Antwerp, Belgium

Fischer & Porter B.V.
Avelingen West 3
4202MS Gorinchem, Netherlands

Fischer & Porter Iberica, S.A.
Sanchez Pacheco, 79
Madrid 28002, Spain

Fischer & Porter Ges.m.b.H.
Wiener Strasse 17
A-2351 Wiener Neudorf, Austria

Fischer & Porter Belgium N.V.
Elektronikalaan 12/14
B-2610 Wilrijk, Belgium

Fischer & Porter AB
Malmgardsvagen 16-18
Box 11124
S-100 61 Stockholm 11, Sweden

Fischer & Porter Oy
Kuunkehra 2
02210 Espoo, Finland

Fispo, S.A.
Apdo. Postal M-9397
Mexico 1, D.F., Mexico

Transfer Agent(s):

Mellon Bank (East)
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: FP

Number of Employees:

1989	2,675	1986	2,650
1988	2,709	1985	2,753
1987	2,656		

Plant Footage:

1989	1,233,000 sq. ft.	1987	1,233,000
1988	1,233,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 225,324,000	$ 3,507,000
1988	207,998,000	(3,895,000)
1987	200,560,000	3,009,000
1986	176,670,000	2,438,000
1985	170,546,000	5,085,000

	No. of Com. Shares +	Earn. per Share +
1989	5,161,000	$ 0.62
1988	5,119,000	—
1987	5,099,000	0.51
1986	5,027,000	0.40
1985	4,821,000	0.96

(Loss)
+ Based on the monthly weighted average number of common and Class B common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	5%	—
1988	—	5%	
1987	—	5%	—
1986	—	5%	—
1985	--	5%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1989	$ 71,901,000	$ 14.54
1988	67,460,000	13.75
1987	72,875,000	15.14
1986	62,462,000	13.31
1985	53,813,000	12.16

‡ After allowing for preferred stock at liquidation value.
+ Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 225,324	$ 207.998
Cost of sales	143,309	136,929
Expenses	70,335	66,059
Other expense	—	3,300
Oper. profit	$ 11,680	$ 1,710
Foreign exchange	38	298
Interest expense	1,952	1,520
Inc. (loss) bef. taxes	$ 9,690	$ (108)
Income taxes	6,183	3,787
Net Income (Loss)	$ 3,507	$ (3,895)

* Included in Costs and Expenses, Depreciation and Amortization: $6,311,000 in 1989 and $5,653,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 7,837	$ 7,444
Receiv., net	53,377	49,840
*Inventories	62,347	53,032
Prepaid expenses	1,758	1,410
Current Assets	$ 125,319	$ 111,726
# Fixed assets	46,109	28,470
Other assets	7,176	2,870
Total Assets	$ 178,604	$ 143,066

Liabilities
(000's)

	1989	1988
Notes payable	$ 5,766	$ 6,300
Long-term debt, curr.	1,254	1,186
Accts. payable	17,476	14,434
Accrued payroll	15,943	15,036
Other accruals	7,544	5,910
Income taxes	2,387	1,315
Curr. Liabilities	$ 50,370	$ 44,181
Long-term debt	26,943	9,596
Other liab.	22,536	14,689
+Preferred stock	3,427	3,570
++Common stock	4,395	4,174
++Class B stock	538	512
Add. paid-in Capital	58,137	55,466
Retained earnings	11,064	10,647
Cumulative trans. adjustment	1,529	465
Treasury stock	(335)	(234)
Total Liabilities & Shareholders' Equity	$ 178,604	$ 143,066

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value; 9% convertible exchangeable.
++ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	4.30	—
%Net Income to Sales	1.56	—
%Net Income to Equity	4.66	—
Sales to Inventories	3.61	3.92
Debt to Equity	0.45	0.24
Working Capital	$ 74,949,000	$ 67,545,000
Current Ratio	2.49	2.53
Shareholders' Equity	$ 75,328,000	$ 71,030,000

Fleet Aerospace Corporation

P.O. Box 1506
509 Glendale Avenue East
St. Catharines, Ontario L2R 7J9, Canada
(416) 684-9477

Officers: A. George Dragone, chairman & chief executive officer; Bruce W. Gowan, v.p.-finance & secretary-treasurer; John M. Jarboe, president & chief operating officer-Fleet Aerospace, Inc. (U.S.); John B. Dekker, corp. controller; Jean L. Mills, asst. secretary.

Directors: A. G. Dragone, John M. Marsh, Gerald M. Soloway, Elmo R. Zumwalt, Jr., William G. Davis, William A. Dimma.

Areas of Work: Designs and manufactures components for the aerospace, marine and communications industries. Products include composite bonded and metal-to-metal bonded structural components for commercial and military aircraft, high-temperature brazed components for jet engines, satellite and radar structures, missile components, specialized anti-submarine defense systems, space engineering and satellite communications, electronic enclosures and power- conditioning equipment for space, military aviation, surface ships and submarines.

Divisions:

Fleet Industries Division
P.O. Box 400
Gilmore Road
Ft. Erie, Ontario L2A 5N3, Canada
(416) 871-2100

Techwest Division
7680 River Road
Suite 200
Richmond, British Columbia V6X 1X6 Canada
(604) 273-6336

Subsidiaries:

Fleet Aerospace, Inc.
400 Corporate Pointe
Suite 590
Culver City, California 90230
(213) 649-4391

AAP, Inc.
18620 South Broadway
Gardena, California 90248
(213) 538-3857

Engineered Magnetics, Inc.
18435 Susana Road
Rancho Dominguez, California 90221
(213) 679-0111

Lakefront Mfg. Inc.
925 Lakefront Promenade
Mississauga, Ontario L5E 2CE, Canada
(416) 278-8777

Fleet Technology Limited
311 Legget Drive
Kanata, Ontario K2K 1Z8, Canada
(613) 592-2830

Langly
(a division of Fleet Aerospace, Inc.)
310 Euclid Avenue
P.O. Box 2911
San Diego, California 92112
(619) 264-3181

Aeronca, Inc.
Middletown, Ohio

SED Systems, Inc.
Saskatoon, Saskatchewan, Canada

Transfer Agent(s):

Central Guaranty Trust Company
Toronto, Canada

Stock Exchange(s): Toronto

Ticker Symbol: FLT

Number of Employees:

1989	2,400	1986	1,700
1988	2,500	1985	1,000
1987	2,400		

Plant Footage:

1989	1,420,000 sq. ft.	1988	1,517,000

Sales & Earnings

	Net Sales +	Net Income +‡
1989	$ 175,083,000	$ (5,421,000)
1988	167,187,000	932,000
1987	120,972,000	2,960,000
1986	72,428,000	3,444,000
1985	49,928,000	2,721,000

	No. of Com. Shares #	Earn. per Share +‡ #
1989	8,026,000	$ —
1988	8,166,000	—
1987	8,597,000	0.22
1986	7,068,000	0.49
1985	5,260,000	0.52

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $1,094,000 in 1988.
# Based on the weighted average number of common shares and Class A non-voting shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.07	—	—
1986	—	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 5,884,000 +	$ 0.73
1988	17,134,000 +	2.10
1987	38,306,000 +	4.46
1986	55,006,000	7.78
1985	27,183,000	5.17

+ After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common and Class A non-voting shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 175,083,000	$ 167,187,000
Cost of sales	151,318,000	139,946,000
Adm. & gen. expenses	20,468,000	19,274,000
Amort. of goodwill	965,000	968,000
Foreign exch.	(79,000)	3,000
Interest expense	7,677,000	6,059,000
Other expense (income)	184,000	(137,000)
Income (loss) bef. taxes	$ (5,450,000)	$ 1,074,000
Income taxes (credit)	(41,000)	880,000
Loss on equity invest.	47,000	—
Minority interest	(35,000)	356,000
Net Loss	$ (5,421,000)	$ (162,000)
Extraord. gain	—	1,094,000
Net Loss & extraord. gain	$ (5,421,000)	$ 932,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,724,000 in 1989 and $4,057,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 785,000	$ 2,582,000
Accts. receiv., net	25,936,000	33,229,000
*Inventories	56,993,000	59,948,000
Inc. taxes recov.	—	327,000
Prepaid expenses	633,000	1,135,000
Net assets-discont. oper.	5,184,000	7,344,000
Current Assets	$ 89,531,000	$ 104,565,000
Fut. tax benefits	1,525,000	2,085,000
Investments	1,108,000	769,000
#Fixed assets	29,559,000	27,806,000
Goodwill	39,007,000	34,979,000
Other assets	2,207,000	1,686,000
Total Assets	$ 162,937,000	$ 171,890,000

Liabilities

Bank indebtedness	$ 55,984,000	$ 69,808,000
Long-term debt, curr.	7,748,000	971,000
Accts. payable & accruals	20,790,000	22,860,000
Income & other taxes	209,000	1,011,000
Def. inc. taxes	53,000	232,000
Curr. Liabilities	$ 84,784,000	$ 94,882,000
Long-term debt	17,661,000	7,588,000
Deferred inc. taxes	1,876,000	1,227,000
Minority interest	7,281,000	5,578,000
+Preferred stock	45,481,000	45,481,000
++Common stock	2,323,000	2,456,000
++Class A non-voting stock	46,271,000	47,159,000
Retained earnings (deficit)	(35,027,000)	(25,437,000)
For. exch. translation	(7,713,000)	(7,044,000)
Total Liabilities & Shareholders' Equity	$ 162,937,000	$ 171,890,000

* Work in progress at lower of cost and est. net realizable value; materials and supplies at lower of average cost and replacement cost.
# Less accumulated depreciation.
+ No par value; $0.60 cumulative convertible.
++ No par value.

Statistical Summary

Sales to Inventories	3.07	2.79
Debt to Equity	1.59	1.25
Working Capital	$ 4,747,000	$ 9,683,000
Current Ratio	1.06	1.10
Shareholders' Equity	$ 51,335,000	$ 62,615,000

Ford Motor Company

The American Road
P.O. Box 1899
Dearborn, Michigan 48121
(313) 322-3000
FAX: (313) 322-4435

Officers: Harold A. Poling, chairman of the board & chief executive officer; William Clay Ford, vice chairman; Stanley A. Seneker, exec. v.p. & chief financial officer; Allan D. Gilmour, Jr., president & chief operating officer; W. Wayne Booker, v.p.- Asia-Pacific Automotive Operations; Louis R. Ross, exec. v.p.-International Automotive Operations; Alexander J. Trotman, exec. v.p.-operations, NAAO; Kenneth Whipple, exec. v.p., & president-Ford Financial Services Group; Basil J. Coughlan, v.p.; John W. Martin, Jr., v.p.-general counsel; Edward E. Hagenlocker, v.p. & gen. mgr.-Truck Operations; Elliott S. Hall, v.p.-Washington affairs; L. Lindsey Halstead, v.p.; J. Craig Hausman, v.p.-employee relations; William J. Hayden, v.p.; Max L. Jurosek, v.p.-car product development; Kenneth K. Kohrs, v.p.-Car Programs Management & Powertrain Planning & Engineering; Louis E. Lataif, v.p.; Clinton D. Lauer, v.p.-purchasing and supply; Mervyn H. Manning, v.p.-Latin American Automotive Operations; David N. McCammon, v.p.-finance & treasurer; John P. McTague, v.p.-technical affairs; Robert F. Moglia, v.p.; John L. O'Connor, v.p. & controller; Peter J. Pestillo, v.p.-corporate relations & diversified businesses; Helen O. Petrauskas, v.p.-environmental and safety engineering; Donald B. Rassier, v.p.; Robert L. Rewey, v.p.-sales operations; Ross H. Roberts, v.p., & gen. mgr., Lincoln-Mercury Division; William E. Scollard, v.p. & senior advisor-NAAO; David W. Scott, v.p.-external affairs; John J. Telnack, v.p.-design; Thomas J. Wagner, v.p., & gen. mgr., Ford Division; James A. Courter, secretary; Malcolm S. Macdonald, asst. treasurer; Patrick E. Sharp, asst. treasurer; John M. Rintamaki, asst. secretary; Burton B. Smoliar, asst. secretary; Sally W. Staebler, asst. secretary.

Directors: Harold A. Poling, chairman; William Clay Ford, Philip E. Benton, Jr., Philip Caldwell, Colby H. Chandler, Michael D. Dingman, Edsel B. Ford, II, William Clay Ford, Jr., Allan D. Gilmour, Roberto C. Goizueta, Irving O. Hockaday, Jr., Drew Lewis, Ellen R. Marram, Kenneth H. Olsen, Carl E. Reichardt, Louis R. Ross, Stanley A. Seneker, Clifton R. Wharton, Jr..

Ford Motor Company

Areas of Work: Engaged in the manufacture of cars, trucks, tractors and their parts; also manufactures and sells electronic products, industrial and chemical products, architectural glass, and defense-space products for the government, as well as engaged in finance and insurance operations.

Subsidiaries:

Ford Aerospace Corporation
Detroit, Michigan
Manufactures communications and electronic systems and equipment for industrial and governmental use. Products sold to governmental agencies include communications services, missiles, ammunition, satellites, ground stations, control systems for missiles and air defense systems.

Ford International Capital Corporation
Hamilton, Bermuda

Ford Motor Credit Company (unconsolidated)
Dearborn, Michigan

The American Road Insurance Company (unconsolidated)
Dearborn, Michigan

Ford Leasing Development Company (unconsolidated)
Dearborn, Michigan

Ford Motor Land Development Corporation (unconsolidated)
Dearborn, Michigan

Associates Corporation of North America
Ford Electronics and Refrigeration Corporation
Ford International Finance Corporation
Ford International Capital Corporation
First Nationwide Financial Corporation
First Nationwide Bank
Ford New Holland, Inc.
United States Leasing International, Inc.
Park Ridge Corporation (Hertz)

Ford of Europe, Incorporated
Brentwood, Essex, England

Henry Ford & Son, Limited
Cork, Ireland

Ford Motor Credit Company Limited (unconsolidated)
Brentwood, Essex, England

Ford Motor Company (Belgium) N.V.*
Antwerp, Belgium

Ford Motor Company (Switzerland) S.A.
Zurich, Switzerland

Ford Motor Argentina, S.A.
Buenos Aires, Argentina

Ford Motor Company, S.A. de C.V.
Mexico City, Mexico

Ford Motor de Venezuela S.A.
Valencia, Venezuela

Ford Motor Company of Canada, Limited*
Oakville, Ontario, Canada

Ford Motor Company of Australia Limited
Campbellfield, Australia

Ensite Limited
Windsor, Ontario, Canada

Ford Brasil S.A.*
Sao Bernardo do Campo, Brazil

Ford-Werke AG
Cologne, Germany

Ford Credit Bank AG (unconsolidated)
Cologne, Germany

Ford France S.A.
Rueil-Malmaison, France

Ford Italiana, S.p.A.
Rome, Italy

Ford Motor Company A/S*
Copenhagen, Denmark

Ford Nederland B.V.*
Amsterdam, The Netherlands

Ford Credit S.A. (unconsolidated)
Madrid, Spain

Ford Financiadora S.A. (unconsolidated)
Sao Paulo, Brazil

Ford Motor Company (Japan) Ltd.
Tokyo, Japan

Ford Espana S.A.
Madrid, Spain

Ford Lio Ho Motor Company, Ltd.*
Taipei, Taiwan

Transcon Insurance Limited (unconsolidated)
Hamilton, Bermuda

Ford Asia-Pacific, Inc.
Melbourne, Australia

Ford Motor Company Limited
Brentwood, Essex, England

Ford Motor Company of New Zealand Limited
Lower Hutt, New Zealand

Ford Direct Market Operations, Incorporated
Dearborn, Michigan

Ford Glass Limited
Canada

Ford Credit N.V.
Belgium

Ford Credit S.p.A.
Italy

Ford Leasing, S.p.A.
Italy

Ford Credit A/S
Denmark

Ford Credit B.V.
The Netherlands

Ford Leasing S.A.
Spain

Ford Credit A.B.
Sweden

Ford Credit S.A.
Switzerland

Mazda Motor Corporation
Japan

* Subsidiaries in which there is an outstanding minority interest.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Manufacturers National Bank of Detroit
100 Renaissance Center
Detroit, Michigan 48243

Montreal Trust Company
P.O. Box 1900, Station B
Montreal, Quebec H3B 3L6, Canada

National Trust Company
Corporate Trust Services
4 King Street West, fifth floor
Toronto, Ontario M5H 3W7, Canada

Stock Exchange(s): New York, Midwest, Pacific, Boston, Philadelphia, Toronto, Montreal, Tokyo

Ticker Symbol: F

Number of Employees:

1989	366,641
1988	358,939
1987	351,711
1986	382,274
1985	369,314

Sales & Earnings

	Net Sales # (000's)	Net Income (000's)
1989	$ 82,879,400	$ 3,835,000
1988	82,193,000	5,300,200
1987	71,797,200	4,625,200
1986	62,868,300	3,285,100
1985	52,915,400	2,515,400

	No. of Com. Shares ‡	Earn. per Share ‡
1989	466,600,000	$ 8.22
1988	483,800,000	10.96
1987	511,000,000	9.05
1986	533,100,000	6.16
1985	553,600,000	4.54

# Sales are for the automotive segment only.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 3.00	—	—
1988	2.30	—	
1987	1.58	—	2-for-1
1986	1.11	—	3-for-2
1985	0.80	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 22,727,800	$ 48.07
1988	21,529,000	43.87
1987	18,492,700	36.44
1986	14,859,500	27.68
1985	12,268,600	21.97

‡ Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
AUTOMOTIVE:		
Net sales	$ 82,879,400	$ 82,193,000
Cost of sales	74,314,100	71,941,400
Expenses	3,752,400	3,452,000
Loss on sale of Rouge Steel	561,300	—
Interest income	(786,700)	(885,200)
Interest expense	321,100	354,000
Eq. in. income of subsid.	(422,600)	(147,800)
Net rev.-trans. with Fin. Svc.	(15,500)	(21,100)
Inc. bef. taxes-Automotive	$ 5,155,300	$ 7,312,000
FINANCIAL SERVICES:		
Revenues	$ 13,266,500	$ 10,252,600
Interest expense	8,277,400	5,909,000
Oper. & other expenses	1,867,000	1,500,400
Prov. for credit losses	1,569,000	1,248,900
Depreciation	663,300	542,700
Net expense-trans. with Auto.	15,500	21,100
Inc. bef. taxes-Fin. Serv.	$ 874,300	$ 1,030,500
TOTAL COMPANY:		
Income bef. taxes	$ 6,029,600	$ 8,342,500
Income taxes	2,112,400	2,998,700
Minority interest	82,200	43,600
Net Income	$ 3,835,000	$ 5,300,200

* Included in Costs and Expenses, Depreciation: $2,056,600,000 in 1989 and $1,914,900,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 4,045,300	$ 5,490,800
Marketable securities	1,680,200	3,751,700
Receiv., net	4,703,400	4,395,700
*Inventories	6,816,800	6,638,200
Other curr. assets	1,918,900	1,793,800
Current Assets	$ 19,164,600	$ 22,070,200
Eq. in assets of affil. companies	4,178,500	2,102,700
#Fixed assets	18,135,400	15,594,300
Other assets	3,635,100	2,350,000
Net receiv.-Fin. Svcs.	705,600	1,010,500
Assets of Fin. Svcs.	115,074,100	100,238,800
Total Assets	$ 160,893,300	$ 143,366,500

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 2,537,000	$ 1,760,900
Accts. payable	10,164,000	9,931,600
Accruals	6,794,700	6,856,200
Income taxes	684,900	1,007,300
Curr. Liabilities	$ 20,180,600	$ 19,556,000
Long-term debt	1,137,000	1,335,700
Other liabilities	6,782,000	4,839,400
Deferred inc. taxes	1,876,900	2,297,900
Minority interests	166,800	164,100
Liabilities of Fin. Svcs.	107,222,200	93,644,400
Preferred stockholders' eq. in Ford Holdings	800,000	—
+ Common stock	437,400	453,600
+ Class B stock	35,400	37,200
Add. paid-in capital	574,200	586,700
For. curr. trans. adjust.	(23,200)	325,000
Retained earnings	21,704,000	20,126,500
Total Liabilities & Shareholders' Equity	$ 160,893,300	$ 143,366,500

* At lower of cost (domestic inventories at LIFO, foreign at FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	16.87	24.62
Debt to Equity	0.16	0.14
Working Capital (000's)	—	$ 2,514,200
Current Ratio	—	1.13
Shareholders' Equity (000's)	$ 22,727,800	$ 21,529,000

The Foxboro Company

Bristol Park
Foxboro, Massachusetts 02035
(508) 543-8750
FAX: (508) 549-6750

Officers: Gary W.. Willis, chairman, president & chief executive officer; John C. Fuller, v.p. & clerk; Ernoe Csaky, v.p.; Richard L. McAllister, v.p.; Gerald F.. Morris, v.p. & treasurer; Peter F. McCrea, v.p.; Edward P. Nobrega, v.p.; David W. Rickard, v.p.; Stanley S. Shaffran, v.p.; Donald N. Sorterup, v.p.; Karen L. Ashley, secretary.

Directors: Gary K. Willis, chairman; P. Chatterjee, Bristol B. Crocker, James R. Nichols, Earle W. Pitt, Paul W. Murrill, G. Richard Westin, A. R. McFarland, Michael R. Corboy, John R. Rockwell, Richard W. Sonnenfeldt, John C. Fuller, Thomas J. Feehan.

Areas of Work: Designs, manufactures and sells mechanical, pneumatic and electronic products for process and energy control. Products measure such process variables as flow, pressure, temperature and liquid level, and measures the composition of materials being processed.

Divisions and Subsidiaries:

Foxboro/Jordon Inc.
5607 West Douglas Avenue
Milwaukee, Wisconsin
(414) 461-9200

Foxboro Far East Private Ltd.
P.O. Box 52
Farrer Road
Singapore

Foxboro (Malaysia) Sendirian Berhad
130 Jalan Kasah
Medan Damansara
Kuala Lumpur, 23-10, Malaysia

Foxboro-Argentina, S.A.
Avendia R.S. Pena 570
Buenos Aires 33-7585, Argentina

Foxboro Controles, S.A.
P.R. Testing Building
Dr. Mario Julia Industrial Development
Matadero Road
Puerto Nuevo 00920, Puerto Rico
(809) 782-8033

Foxboro Intertrade, Inc.
110 West Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro International Limited
Wiggie House
Redhill
Surrey RH1 2HL, England

Foxboro Canada, Inc.
707 Dollard Avenue
La Salle, Quebec, Canada
(514) 366-4210

Foxboro-Yoxall
Division of Foxboro Great Britain Ltd.
Redhill
Surrey RH1 2HL, England

Foxboro (Nederland) NV
Koningsweg, 30
Soest, Netherlands

Foxboro S.A.
Avena 410 and 410-A
Mexico 8, DF, Mexico

Foxboro, France, S.A.
B.P. 741
95004 Cergy Pontoise Cedex, France

Foxboro, KK
7, Kojimachi
- Chiyoda-Ku
Tokyo 1048, Japan

Foxboro Italia, SpA
Via Fabio Filzi, 27
Milan, Italy

Foxboro Deutschland GmbH
4000 Dusseldorf 11,
West Germany

Foxboro/I.T.C., Inc.
1750 Junction Avenue
San Jose, California
(408) 998-8720

Foxboro Trading, Inc.
100 West Tenth Street
Wilmington, Delaware 19801

Foxboro Intercontinental Ltd.
P.O. Box 3361
Amman, Jordan

Foxboro Analytical Division
Armstrong Road
Plymouth Industrial Park
Plymouth, Massachusetts 02360

151 Woodward Avenue
South Norwalk, Connecticut 06856

Shanghai-Foxboro Ltd.
China

China-Foxboro Corp.
Tokyo, Japan

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, London

Ticker Symbol: FOX

Number of Employees:

1989	6,649	1986	7,847
1988	7,186	1985	8,739
1987	7,078		

Plant Footage:

1989	1,600,000 sq. ft.	1987	2,593,086
1988	2,691,000	1986	2,692,786

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 597,779	$ (4,565)
1988	539,879	9,808
1987	504,425	(96,934)
1986	543,986	8,662
1985	572,175	(40,881)

	No. of Com. Shares +	Earn. per Share +
1989	12,312,000	$ —
1988	12,314,833	0.80
1987	12,314,282	—
1986	12,336,869	0.70
1985	12,353,253	—

(Loss)
+ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.10	—	—
1988	0.10	—	
1987	—	—	—
1986	0.25	—	—
1985	0.78	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 182,070	$ 14.79
1988	195,186	15.85
1987	188,382	15.30
1986	267,448	21.68
1985	253,184	20.50

X Restated.
‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 597,779	$ 539,879
Cost of sales	401,292	337,923
Res., develop., & eng. exp.	36,045	37,196
Sel., gen. & adm. exp.	157,572	144,261
Other expenses	1,285	5,416
Inc. bef. taxes	$ 1,585	$ 15,083

Inc. taxes	6,150	5,275
Net Income (Loss)	$ (4,565)	$ 9,808

* Included in Costs and Expenses, Depreciation and Amortization: $21,762,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 3,731	$ 783
Accts. & notes receiv., net	163,852	164,640
*Inventories	130,842	157,841
Other curr. assets	23,089	22,873
Current Assets	$ 321,514	$ 346,137
# Fixed assets	105,214	111,372
Other assets	17,062	14,726
Total Assets	$ 443,790	$ 472,235

Liabilities
(000's)

Bank loans & long-term debt, curr.	$ 13,234	$ 84,724
Accts. payable & accruals	66,427	81,083
Advances	41,641	51,774
Curr. Liabilities	$ 121,302	$ 217,581
Long-term debt	85,650	5,750
Other liab. & def. inc. taxes	13,998	12,012
Deferred pension costs	40,770	41,706
Shareholders' equity	182,070	195,186
Total Liabilities & Shareholders' Equity	$ 443,790	$ 472,235

* At lower of cost or market. Domestic inventories at LIFO; remainder at FIFO.
# Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	0.27	2.79
%Net Income to Sales	—	1.82
%Net Income to Equity	—	5.02
Sales to Inventories	4.57	3.97
Debt to Equity	0.54	0.46
Working Capital	$ 200,212,000	$ 128,556,000
Current Ratio	2.65	1.59
Shareholders' Equity	$ 182,070,000	$ 195,186,000

Franklin Electric Co., Inc.

400 East Spring Street
Bluffton, Indiana 46714
(219) 824-2900
FAX: (219) 824-2909

Officers: William H. Lawson, chairman of the board & chief executive officer; John B. Lindsay, v.p.-marketing; Dean W. Pfister, v.p.-finance, secretary & treasurer; Donald W. [illegible]ore, v.p.-operations; Herbert L. Wise, v.p.-engineering.

Directors: William H. Lawson, chairman; William W. Keefer, Robert L. Little, Edward J. Schaefer, Patricia Schaefer, Donald J. Schneider, Gerard E. Veneman, Juris Vikmanis.

Areas of Work: Manufactures submersible electric motors and special engineered fractional horsepower motors used by original equipment manufacturers in a wide variety of industrial and consumer products.

Affiliates:

Oil Dynamics, Inc. (50%-owned)
Tulsa, Oklahoma
Submersible oil pumping systems.

Franklin Electric (Aust.) Pty. Ltd. (50%-owned)
Dandenong, Victoria, Australia
Motors and packaging systems.

Franklin Electrica S.A. de C.V. (49%-owned)
Monterrey N.L., Mexico
Manufactures motors.

Transfer Agent(s):

Illinois Stock Transfer Company
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FELE (NASDAQ)

Number of Employees:

1989 . . . . 2,080 1987 1,900
1988 2,117

Plant Footage:

1989 . . . . . . 1,512,690 sq. ft. 1987 1,525,540
1988 1,527,340

Sales & Earnings

	Net Sales	Net Income †
1989	$ 172,510,000	$ 10,843,000
1988	163,582,000	10,822,000
1987	145,412,000	9,478,000
1986*	130,465,000	7,685,000
1985	179,327,000	(7,170,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	3,141,000	$ 3.18
1988	3,509,000	3.08
1987	3,702,000	2.56
1986*	3,694,000	2.08
1985	3,697,000	—

(Loss)
* 53 weeks.
† Including extraordinary gains of $194,000 ($0.06 per share) in 1989, $186,000 ($0.05 per share) in 1988, $1,351,000 ($0.36 per share) in 1987 and $2,211,000 ($0.60 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.48	—	—
1988	0.64	—	
1987	0.56	—	—
1986	0.56	—	—
1985	0.56	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 2,556,000 #	$ 0.81
1988	44,172,000	12.59
1987	62,855,000	16.98
1986	53,966,000	14.61
1985	46,458,000	12.57

# After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 172,510	$ 163,582
Cost of sales	134,372	127,620
Expenses	24,168	22,403
Interest expense	1,022	546
Other income	(1,292)	(1,866)
For. curr. loss (income)	(12)	223
Income before taxes	$ 14,252	$ 14,656
Income taxes	5,965	6,137
Eq. in earn. of affil.	(2,362)	(2,117)
Net Income	$ 10,649	$ 10,636
Extraord. gain	194	186
Net Income & extraord. gain	$ 10,843	$ 10,822

* Included in Costs and Expenses, Depreciation: $4,003,000 in 1989 and $3,892,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash	$ 3,848	$ 25,174
Accts. receiv., net	19,138	16,397
*Inventories	21,713	19,410
Other curr. assets	4,833	4,111
Current Assets	$ 49,532	$ 65,092
Investments in affil.	14,082	14,519
#Fixed assets	24,738	25,133
Other assets & deferred charges	488	221
Total Assets	$ 88,840	$ 104,965

Liabilities
(000's)

Long-term debt, curr.	$ 254	$ 739
Short-term borrowings	192	215
Accts. payable	7,483	8,661
Accruals	23,769	24,136
Income taxes	936	636
Curr. Liabilities	$ 32,634	$ 34,387
Long-term debt	16,704	4,958
Deferred inc. taxes	2,478	1,448
Comm. stock redemp. agree.	—	20,000
Redeem. pref. stock:		
+ Class A	10,884	—
++ Class B	17,766	—
+++ Preferred stock-Class C	5,818	—
++++ Common stock	598	1,585
Add. paid-in capital	—	10,768
Retained earnings	4,568	41,935
Stock subscriptions	(2,328)	(2,762)
Translation adjust.	(282)	(218)
Treasury stock	—	(7,136)
Total Liabilities & Shareholders' Equity	$ 88,840	$ 104,965

* At lower of cost (LIFO) or market; foreign at FIFO.
# Less accumulated depreciation and amortization.
+ No par value; $100 stated value. $9.50 cumulative.
++ No par value; $100 stated value. $11.00 cumulative.
+++ No par value; $100 stated value. $10.50 cumulative.
++++ $0.10 par value in 1989; $0.50 par in 1988.

Statistical Summary

%Income bef. Taxes to Sales	8.26	8.96
%Net Income to Sales	6.17	6.50
%Net Income to Equity	—	24.08
Sales to Inventories	7.95	8.43
Debt to Equity	—	0.13
Working Capital	$ 16,898,000	$ 30,705,000
Current Ratio	1.52	1.89
Shareholders' Equity	$ 8,374,000	$ 44,172,000

Frequency Electronics, Inc.

55 Charles Lindbergh Boulevard
Mitchel Field, New York 11553
(516) 794-4500

Officers: Martin B. Bloch, chairman & president; John C. Ho, v.p.-research & development; Marvin Meirs, v.p.-engineering; Alfred Vulcan, v.p.-systems engineering; Harry Newman, treasurer & secretary; Markus Hechler, v.p.-manufacturing; Charles S. Stone, v.p.-low noise development; Peter O. Clark, v.p., & president-FEI Microwave, Inc.; Jerrold Bloch, asst. secretary.

Directors: Martin B. Boch, chairman; John C. Ho, Abraham Lazar, E. John Rosenwald, Jr., Joel Girsky.

Areas of Work: Operates principally in two industries -- frequency and time control products, and microwave integrated circuit components. Operations in the frequency and time control area consist of the research, design and manufacture of systems, instruments and equipment that operate on frequency control. These systems are used in guidance, navigation communications, surveillance and electronic countermeasure and timing systems. Operations in the microwave integrated circuit component industry consist of the design and manufacture of metallized substrates, having application with radar, communications and navigation equipment. Products include quartz crystals, quartz crystal oscillators and discriminators, and cesium beam resonators.

Subsidiaries:

Tek-wave, Inc.
Manufacturer of devices, components and sub-systems for Microwave Integrated Circuit (MIC) applications. Products include hermetic and non-hermetic connectors and circuit frames, metallized substrates and thin film circuit fabrication, and sub-system packages which incorporate these various components.

Brightline Corporation
Designs, develops, and manufactures low noise oscillators, synthesizers, and frequency sources.

Time and Frequency, Ltd. (50%-owned)
Israel
Manufactures time and frequency products in Europe and Israel.

FEI Microwave, Inc.
(formerly TRW Microwave Products Inc.)
[illegible]25 Stewart Drive
Sunnyvale, California 94086
(408) 732-0880
Manufactures solid state microwave components for military and commercial communications and avionics.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: FEI

Number of Employees:

1988	933	1985	430
1987	964	1984	400
1986	500		

Plant Footage:

1988	200,000 sq. ft.	1985	97,000
1987	215,000	1984	101,000
1986	101,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 59,276,000	$ 3,791,000
1987	36,003,000	4,762,000
1986	32,034,000	5,086,000
1985	25,008,000	3,996,000
1984	17,188,000	3,110,000

	No. of Com. Shares #	Earn. per Share ‡
1988	5,628,590	$ 0.67
1987	4,953,363	0.96
1986	4,598,087	1.11
1985	4,564,293	0.88
1984	4,577,335	0.68

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Components	$ 9,053,000	$ 7,417,000
Microwave prods.	15,455,000	602,000
Instruments	11,138,000	25,481,000
Systems	23,630,000	2,503,000
Total	$ 59,276,000	$ 36,003,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 67,826,000	$ 12.05
1987	66,377,000	13.40
1986	41,410,000	9.01
1985	36,254,000	7.94
1984	32,406,000	7.08

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended April 30	1988	1987
Net sales	$ 59,276,000	$ 36,003,000
Cost of sales	47,738,000	26,191,000
Expenses	8,957,000	3,302,000
Interest & other income	(992,000)	(2,070,000)
Settle. of lawsuit	(2,118,000)	—
Income before taxes	$ 5,691,000	$ 8,580,000
Income taxes	1,900,000	3,818,000
Net Income	$ 3,791,000	$ 4,762,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,403,000 in 1988 and $1,104,000 in 1987.

Assets

As of April 30	1988	1987
Cash & cash equiv.	$ 14,068,000	$ 14,767,000
Commercial paper	2,941,000	14,626,000
Accts. receiv., net	44,906,000	26,960,000
*Inventories	15,368,000	14,033,000
Accrued interest and other	1,420,000	654,000
Current Assets	$ 78,703,000	$ 71,040,000
#Fixed assets	19,558,000	8,344,000
Other assets	6,463,000	5,264,000
Total Assets	$ 104,72[illegible]00	$ 84,648,000

Liabilities

Long-term debt, curr.	$ 583,000	$ 646,000
Accts. payable	6,686,000	2,880,000
Accrued payroll	1,754,000	1,003,000
Accrued taxes	263,000	131,000
Other accruals	1,804,000	722,000
Income taxes pay.	970,000	1,497,000
Def. inc. taxes	1,931,000	3,728,000
Curr. Liabilities	$ 13,993,000	$ 10,607,000
Long-term debt	20,964,000	5,561,000
Other liabilities	431,000	409,000
Deferred taxes payable	1,510,000	1,694,000
+Common stock	5,667,000	5,667,000
Add. paid-in capital	34,039,000	33,922,000
Retained earnings	30,841,000	27,050,000
Treasury stock	(1,264,000)	(262,000)
Unreal. loss on secur.	(1,457,000)	—
Total Liabilities & Shareholders' Equity	$ 104,724,000	$ 84,648,000

* At lower of cost (specific and average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.60	23.83
%Net Income to Sales	6.40	13.23
%Net Income to Equity	5.59	7.17
Sales to Inventories	3.86	2.57
Debt to Equity	0.32	0.09
Working Capital	$ 64,710,000	$ 60,433,000
Current Ratio	5.62	6.70
Shareholders' Equity	$ 67,826,000	$ 66,377,000

Fujitsu Limited

6-1, Marunouchi 1-chome
Chiyoda-ku
Tokyo 100 Japan
(03) 216-3211
FAX: (03) 216-9374

Board of Directors: Takuma Yamamoto, president & representative director; Matami Yasufuku, executive v.p. & representative director; Kazuo Watanabe, Mamoru Mitsugi, Yusaku Onaga, Akira Ohguro, Mikio Ohtsuki, Tadashi Sekizawa, Motojiro Shiromizu; exectiive directors; Mutsuro Umezu, Eigo Kato, Tokio Tatsuta, Hiroyuki Ino, Takuya Maruiwa, Michio Naruto, Koichi Nozawa, managing directors; Seiuemon Inaba, Takeshi Nakao, Toshio Hiraguri, Ryoichi Sugioka, Yoshinao Hirose, Iwao Katsuki, Yasushi Nakamura, Takeshi Ishida, Yasuchika Koike, Takashi Obata, Hikotaro Masunaga, Naoyuki Akikusa, Masuo Tanaka, Keizo Fukagawa, Michio Fujisaki, directors.

Areas of Work: In the area of Data Processing, the Company manufactures a wide range of computers, including medium-, large-, and very-large-scale general-purpose computers, super-computers, minicomputers, business personal computers and small business computers; word processors, advanced computer workstations, artificial intelligence software, and digital facsimile equipment.

In the area of Telecommunications, the Company manufactures digital switching and carrier transmission systems, optical transmission systems, submarine optical fiber cable repeaters, terminals for high-speed digital leased lines and digital microwave systems, corporate communications networks, digital PBXs, packet switching systems, digital modems, amplifiers and receivers for satellite communications, and digital key-phone systems.

Semiconductor products include application specific integrated circuits, including CMOS, ECL, TTL, and Bi-CMOS gate arrays and standard cells that allow more flexible logic design; software for the logic design of gate arrays and standard cells; and integrated circuit (IC) memories. Electronic Components include relays, connectors, keyboards, hybrid ICs, computer printers and color plotters. The Company also manufactures car audio products.

Subsidiaries (Japan):

Fujitsu Laboratories, Ltd.
Shinko Electric Industries Co., Ltd.

Fuji Electrochemical Co., Ltd.
Fujitsu TEN Limited
Hasegawa Electric Co., Ltd.
Fujitsu Kiden Ltd.
Fujitsu Denso Ltd.
Fujitsu Isotec Limited
Fujitsu Kasei Ltd.
Fujitsu Automation Limited
Fujitsu Yamanashi Electronics Limited
Kyushu Fujitsu Electronics Ltd.
Fujitsu Tohoku Electronics Ltd.
Fujitsu Miyagi Electronics Ltd.
Yamagata Fujitsu Limited
Fujitsu Peripherals Limited
Fujitsu Buhin Limited
Shinano Fujitsu Ltd.
Fujitsu FACOM Information Processing Corporation
Fujitsu Dai-ichi System Engineering Limited
Fujitsu Social Science Laboratory Limited
Fujitsu Distribution Systems Engineering Limited
Fujitsu Microcomputer Systems Limited
Fujitsu Kansai System Engineering Limited
Fujitsu Tokai Systems Engineering Limited
Fujitsu Financial Systems Engineering Limited
Fujitsu Tohoku Systems Engineering Limited
Fujitsu Financial Information Systems Limited
Fujitsu Social Systems Engineering Limited
Fujitsu Dai-ichi Communication Software Limited
Fujitsu Basic Software Corporation
Fujitsu Technosystems Limited
Fujitsu Kyushu System Engineering Limited
Fujitsu Business Sytems Ltd.
Fujitsu System Integration Laboratories Ltd.
Fujitsu VLSI Limited
Fujitsu Office Machines Limited
Fujitsu OA Limited
Fujitsu Supplies Limited
Fujitsu Busho Ltd.
Totalizator Engineering Limited
Fujitsu Documents Service Limited
Tokai Densetsu Ltd.
Fujitsu Automated Printing & Publishing Co., Ltd.
Fujitsu Fudosan Ltd.
Fujitsu Trading Ltd.
Fujitsu Microdevices Ltd.
Totalizator Engineering Limited

Subsidiaries (U.S.A.):

Fujitsu America, Inc.
3055 Orchard Drive
San Jose, California 95134-2017
(408) 432-1300

Fujitsu Business Communications of America, Inc.
3190 Mira Loma Avenue
Anaheim, California 92806
(714) 630-7721

Fujitsu Component of America Inc.
3330 Scott Boulevard
Santa Clara, California 95054-3197
(408) 562-1000

Fujitsu Customer Service of America, Inc.
12670 High Bluff Drive
San Diego, California 92130-2013
(619) 481-4004

Fujitsu GTE Business Systems, Inc.
2411 West 14th Street
Tempe, Arizona 85281
(602) 921-5900

Fujitsu Imaging Systems of America, Inc.
Corporate Drive, Commerce Park
Danbury, Connecticut 06810
(203) 796-5400

Fujitsu Microelectronics, Inc.
3545 North First Street
San Jose, California 95134-1804
(408) 922-9000

Fujitsu Microsystems of America, Inc.
3025 Orchard Parkway
San Jose, California 95134-2017
(408) 434-1160

Fujitsu Network Switching of America, Inc.
4403 Bland Road, Somerset Park
Raleigh, North Carolina 27609
(919) 790-2211

Fujitsu Systems of America, Inc.
12670 High Bluff Drive
San Diego, California 92130-2013
(619) 481-4004

Intellistor, Inc.
2120 Miller Drive
Longmont, Colorado 80501
(303) 678-0697

Stock Exchange(s): Tokyo

Number of Employees:

1989	104,583	1987	89,293
1988	94,825	1986	84,277

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	¥2,387,442,000	¥ 69,948,000
1988	2,046,802,000	42,115,000
1987	1,789,417,000	21,609,000
1986	1,691,826,000	38,926,000
1985	1,562,260,000	89,028,000

	No. of Com. Shares	Earn. per Share ‡
1989	1,760,0[illegible]3,000	¥ 40.1
1988	1,710,0[illegible]1,000	25.4
1987	1,593,307,000	13.8
1986	1,438,587,000	27.3
1985	1,299,524,000	70.2

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 9.0	—	—
1988	8.0	—	
1987	8.0	—	—
1986	8.0	—	—
1985	9.0	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	¥ 961,177,000	¥ 546.10
1988	827,023,000	483.63
1987	680,404,000	427.04
1986	636,339,000	442.34
1985	608,467,000	468.22

Income Account *
(millions)

Year ended Mar. 31	1989	1988
Net sales	¥ 2,387,442	¥ 2,046,802
Cost of sales	1,527,908	1,339,183
Expenses	673,685	588,098
Interest expense	32,176	28,680
Interest income	(14,185)	(8,923)
Dividend income	(1,665)	(1,557)
Other expense (income)	14,371	(4,727)
Income before taxes	¥ 155,152	¥ 106,048
Income taxes	97,462	73,407
Eq. in inc. of unconsol. subsid.	(18,709)	(12,860)
Minority interests	6,451	3,386
Net Income	¥ 69,948	¥ 42,115

* Included in Costs and Expenses, Depreciation: ¥ 160,635,000,000 in 1989 and ¥ 136,762,000,000 in 1988.

Assets
(millions)

As of Mar. 31	1989	1988
Cash	¥ 156,404	¥ 119,247
Time deposits	148,762	124,245
Marketable securities	24,219	89,402
Accts. receiv., net	591,815	503,035
*Inventories	478,840	462,869
Other curr. assets	58,017	56,326
Current Assets	¥ 1,458,057	¥ 1,355,124
Investments	460,133	365,758
#Fixed assets	702,988	591,921
Intangibles	3,749	3,791
Total Assets	¥ 2,624,927	¥ 2,316,594

Liabilities
(millions)

	1989	1988
Short-term bank loans	¥ 329,772	¥ 322,333
Long-term debt, curr.	56,839	23,345
Accts. payable	338,121	306,985
Accruals	154,779	128,112
Cust. advances	9,935	13,692
Income taxes	63,535	62,301
Emp. savings deposits	58,155	50,465
Other current liabilities	89,441	67,035
Curr. Liabilities	¥ 1,100,577	¥ 974,268
Long-term debt	316,395	301,618
Accrued severance indemnities	45,462	40,840
Loss on repurch. of computers	123,634	102,804
Minority interest	77,682	70,041
+Common stock	193,622	168,831
Add. paid-in capital	351,747	295,534
Legal reserve	14,050	12,659
Retained earnings	401,758	349,999
Total Liabilities & Shareholders' Equity	¥ 2,624,927	¥ 2,316,594

* At lower of cost (actual or moving average) or estimated realizable value.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.50	5.18
%Net Income to Sales	2.93	2.06
%Net Income to Equity	7.28	5.09
Sales to Inventories	4.99	4.42
Debt to Equity	0.73	0.78
Working Capital (000's)	¥ 357,480,000	¥ 380,856,000
Current Ratio	1.32	1.39
Shareholders' Equity (000's)	¥ 961,177,000	¥ 827,023,000

Gandalf Technologies Inc.

130 Colonnade Road South
Nepean, Ontario K2E 7M4 Canada
(613) 723-6500
FAX: (613) 226-1717

Officers: Desmond Cunningham, chairman of the board; John S. Wandell, v.p.-Gandalf Systems Group; Diane F. MacMillan, secretary; Howard J. Gunn, v.p.-corp. strategy; Jan Bartl, v.p.-product development; James R. Newell, treasurer; Judith M. Scott, regional v.p.-sales (U.K.); William R. Whitemarsh, controller.

Directors: Desmond Cunningham, chairman; Alexander Curran, Charles J. Gardner, Donald Gibbs, David N. Koffsky, Patrick J. Suddick.

Areas of Work: Designs, manufactures, markets and services a broad line of data and voice communications software and hardware products that permit users to communicate between computers from multiple vendors, terminals and other devices in networks ranging from local to wide area. The Company's principal products are network processors, intelligent data switches, transmission devices such as modems and multiplexers, sophisticated communications software including network monitoring, and bridge and gateway products that provide access to other networks and services.

Divisions and Subsidiaries:

Gandalf Data, Inc.
1020 South Noel Avenue
Wheeling, Illinois 60090
(312) 541-6060

Gandalf Digital Communications Limited
19 Kingsland Grange
Woolston, Warrington
Cheshire WA1 4RW, United Kingdom
(0925) 818484

Gandalf Europe
Kabelweg 37
1014 BA Amsterdam, The Netherlands
31 20 867611

Gandalf S.A.
1 Boulevard Charles de Gaulle
92700 Colombes, France

Gandalf Nederland B.V.
Kabelweg 37
1014 BA Amsterdam, The Netherlands
31 20 867611

Gandalf Pacific Pty. Ltd.
48 Chados Street, Suite 101-102
St. Leonards
New South Wales 2065, Australia
61-2-436-5977

Redifacts Ltd.
130 Colonnade Road South
Nepean, Ontario K2E 7J5, Canada
(613) 723-6500

Computer Dispatch Systems
177 Colonnade Road
Nepean, Ontario K2E 7J5, Canada
(613) 226-5400

Transfer Agent(s):

The Royal Trust Company
Adelaide Street
P.O. Box 475
Toronto, Ontario M5C 9Z9 Canada

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081 U.S.A.

The Royal Trust Company
Royal Trust House
48/50 Cannon Street
London, EC4N 6LD, United Kingdom

Stock Exchange(s): Toronto, Over-the-Counter, London

Ticker Symbol: GAN (Toronto); GANDF (NASDAQ); London

Number of Employees:

1989	1,549	1986	1,361
1988	1,527	1985	1,180
1987	1,416		

Plant Footage:

1989	154,000 sq. ft.	1986	136,000
1988	154,000	1985	121,000
1987	136,000		

Sales & Earnings x

	Revenues +	Net Income #
1989	$ 167,369,000	$ 377,000
1988	160,648,000	9,403,000
1987	128,440,000	6,254,000
1986	105,295,000	3,339,000
1985	85,691,000	3,236,000

	No. of Com. Shares ‡	Earn. per Share #‡
1989	12,150,000	$ 0.03
1988	12,104,000	0.78
1987	10,024,000	0.62
1986	9,954,000	0.34
1985	9,905,000	0.32

x In Canadian dollars.
+ Of continuing operations only.
# Including extraordinary gain of $2,832,000 ($0.24 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988
Product revenue	$ 147,706,000	$ 143,550,000
Field service revenue	19,663,000	17,098,000
Total	$ 167,369,000	$ 160,648,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 86,222,000	$ 7.09
1988	87,554,000	7.21
1987	62,109,000	6.20
1986	54,871,000	5.51
1985	49,958,000	5.04

Income Account *
(000's)

Year ended July 31	1989	1988
Revenues	$ 167,369	$ 160,648
Cost of sales	67,406	62,879
Expenses:		
Service	14,747	12,569
Selling & distr.	51,364	47,673
Adm. & gen.	13,860	10,515
Res. & develop.	17,908	16,258
Investment incentives	(2,225)	(2,925)
Financial expenses (income)	653	(1,062)
Income before taxes	$ 3,656	$ 14,741
Income taxes	1,635	6,271
Eq. in loss of assoc. co.	715	—
Minority interest	—	1,668
Inc.-cont. oper.	$ 1,306	$ 6,802
Loss-discont. oper.	(929)	(231)
Net Income	$ 377	$ 6,571
Extraord. gain	—	2,832
Net Income & extraord. gain	$ 377	$ 9,403

* Included in Costs and Expenses, Depreciation and Amortization: $6,889,000 in 1989 and $6,129,000 in 1988.

Assets
(000's)

As of July 31	1989	1988
Cash	$ 1,835	$ 1,641
Short-term deposit certificates	2,006	13,302
Accts. receiv., net	49,689	47,363
*Inventories	28,230	27,977
Prepaid expenses	1,847	1,599
Inc. taxes recov.	991	81
Current Assets	$ 84,598	$ 91,963
#Fixed assets	34,138	30,131
Intangibles	7,443	780
Def. income taxes	3,424	1,918
Investments	2,611	1,910
Invest. in sales-type leases	1,611	976
Other assets	758	288
Total Assets	$ 134,583	$ 127,966

Liabilities
(000's)

Bank indebtedness	$ 14,596	$ 6,969
Long-term debt, curr.	70	34
Accts. payable	8,056	11,347
Accruals	14,358	9,816
Income taxes	2,098	3,746
Deferred income	3,038	1,940
Deferred income taxes	—	161
Curr. Liabilities	$ 42,216	$ 34,013
Long-term debt	6,145	3,354
Minority interest	—	3,045
+Common stock	42,924	42,904
Retained earnings	44,856	44,479
For. curr. trans. adjust.	(1,558)	171
Total Liabilities & Shareholders' Equity	$ 134,583	$ 127,966

* At lower of cost (FIFO) and estimated net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Net Income to Equity	0.44	7.51
Debt to Equity	0.24	0.12
Working Capital	$ 42,382,000	$ 57,950,000
Current Ratio	2.00	2.70
Shareholders' Equity	$ 86,222,000	$ 87,554,000

GAP Instrument Corp.

40 Oser Avenue
Hauppauge, New York 11788
(516) 273-0909
FAX: (516) 273-0948

Officers: Alan G. Binnie, chairman and v.p.; Joseph J. Langford, president & treasurer; Henry R. Hess, secretary; Henry J. Torti, exec. v.p..

Directors: Alan G. Binnie, chairman; Joseph J. Langford, Fred A. Vernon, Richard M. Goldfrank.

Areas of Work: Manufactures electromechanical and solid-state systems, electronic components and servo mechanisms, and test and simulation equipment for military and commercial purposes.

Transfer Agent(s):

Registrar & Transfer Co.
P.O. Box 436
Jersey City, New Jersey 07303

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	18	1986	32
1988	18	1985	30
1987	24		

Plant Footage:

1989	17,000 sq. ft.	1986	17,000
1988	17,000	1985	17,000
1987	17,000		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 1,144,279	$ (187,106)
1988	1,198,319	(49,584)
1987	1,586,534	77,426
1986	1,576,376	59,725
1985	1,858,942	101,215

	No. of Com. Shares		Earn per Share ‡ +
1989	2,034,353	$	—
1988	2,034,353		—
1987	2,034,353		0.04
1986	2,034,353		0.03
1985	2,034,353		0.05

(Loss)
‡ Including extraordinary gains of $42,920 in 1989 and $33,022 in 1988.
+ Based on the average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	129,365	$	0.06
1988		316,471		0.16
1987		366,055		0.18
1986		288,629		0.14
1985		228,904		0.11

Income Account *

Year ended Dec. 31		1989		1988
Net sales	$	1,144,279	$	1,198,319
Cost of sales		944,851		861,233
Expenses		410,028		408,027
Interest expense		19,426		11,665
Net Loss	$	(230,026)	$	(82,606)
Extraord. gain		42,920		33,022
Net Loss & extraord. gain	$	(187,106)	$	(49,584)

* Included in Costs and Expenses, Depreciation: $3,556 in 1989 and $3,555 in 1988.

Assets

As of Dec. 31		1989		1988
Cash	$	45,428	$	42,721
Accts. receiv., net		155,981		220,139
Inc. tax refunds		42,920		41,478
*Inventories		242,132		333,626
Prepaid expenses		10,298		10,239
Current Assets	$	496,759	$	648,203
Other assets		31,679		35,235
Total Assets	$	528,438	$	683,438

Liabilities

		1989		1988
Note payable	$	207,325	$	207,325
Accts. payable		106,733		64,038
Accruals		17,373		9,958
Accrued payroll & taxes		27,798		33,322
Due to officer		12,015		12,215
Curr. Liabilities	$	371,244	$	326,858
Deferred officers' salaries		27,829		40,109
+Common stock		203,435		203,435
Add. paid-in capital		2,804,493		2,804,493
Accumulated deficit		(2,878,563)		(2,691,457)
Total Liabilities & Shareholders' Equity	$	528,438	$	683,438

* At lower of cost (FIFO) or market.
+ $0.10 par value.

Statistical Summary

		1989		1988
Sales to Inventories		4.73		3.59
Debt to Equity		1.60		0.66
Working Capital	$	125,515	$	321,345
Current Ratio		1.34		1.98
Shareholders Equity	$	129,365	$	316,471

GenCorp Inc.

(Formerly the General Tire & Rubber Company)

175 Ghent Road
Fairlawn, Ohio 44313-3300
(216) 869-4200
FAX: (216) 869-4514

Officers: A. William Reynolds, chairman & chief exec. officer; Jack L. Heckel, president & chief operating officer; Roger I. Ramseier, v.p.; Pat A. Servodidio, v.p.; Charles R. Ennis, v.p. & gen. counsel; Robert L. Malcolm, v.p.-human resources; Charles R. Tilden, v.p.-communications; D. Michael Steuert, v.p.-finance and planning & treasurer; Marvin L. Isles, v.p.; James S. Marlen, v.p.; Russell A. Livigni, v.p. & dir.-research; Edward R. Dye, secretary; Celeste Michalski, vice president & controller; Frank C. Rote, assistant secretary.

Directors: A. William Reynolds, chairman; John O'Neil, James R. Stover, William B. Walsh, William F. Spitznagel, Paul X. Kelley, Jack L. Heckel, Gerald O'Neil, Robert K. Jaedicke.

Subsidiaries:

Aerojet-General
100 Blue Ravine Road
Folsom, California 95630
(916) 351-8500

Solid rock and propulsion systems, tactical rocket motors, liquid propellant systems, and sensor and satellite systems.

GenCorp Automotive
350 Springside Drive
P.O. Box 3545
Akron, Ohio 44309-3545
(216) 668-7000

Molded fiber-reinforced plastics panels for vehicle bodies, vehicle sealing products, vibration control products and soft interior trim material, primarily for the original equipment automotive market.

GenCorp Polymer Products
350 Springside Drive
P.O. Box 3545
Akron, Ohio 44309-3545
(216) 668-7000

Vinyl-coated fabrics, commercial and residential wallcoverings, tennis and racquetball products, latex, plastic films and other plastic and rubber products.

RKO General, Inc.
1440 Broadway
New York, New York 10018

Broadcasting operations of four FM and three Am radio stations and one television station.

Transfer Agent(s):

First Chicago Trust Company of New York
New York, New York

Stock Exchange(s): New York, Midwest

Ticker Symbol: GY

Number of Employees:

1989	15,100	1986	26,700
1988	15,600	1985	27,000
1987	14,100		

Sales & Earnings

		Net Sales + (000's)		Net Income (000's)
1989	$	1,938,000	$	210,000
1988		1,891,000		70,000
1987		1,619,000		475,000
1986		1,537,000		130,000
1985		1,457,000		75,000

	No. of Com. Share ‡		Earn. per Share ‡
1989	31,730,920	$	6.61
1988	31,730,505		2.19
1987	48,138,812		9.87
1986	67,007,046		1.94
1985	66,941,442		1.12

+ Of continuing opeations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues by Line of Business
(000's)

		1989		1988
Aerojet	$	1,034,000	$	1,056,000
Automotive		433,000		358,000
Polymer products		471,000		477,000
Total	$	1,938,000	$	1,891,000

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1989	$	0.60	—	—
1988		0.60	—	
1987		0.50	—	3-for-1
1986		0.50	2%	—
1985		0.50	2%	—

Common Stock Equity

		Total Equity		Equity Per Share ‡
1989	$	155,000,000	$	4.88
1988		(36,000,000)		—
1987		(97,000,000)		—
1986		1,048,000,000		15.64
1985		951,000,000		14.21

(Deficiency)
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account
(000's)

Year ended Nov. 30		1989		1988
Net sales	$	1,938,000	$	1,891,000
Cost of sales		1,618,000		1,564,000
Expenses		150,000		132,000
Depreciation		70,000		63,000
Interest income		(27,000)		(10,000)
Interest expense		67,000		57,000
Prov. for restructuring		52,000		12,000
Inc. bef. taxes	$	8,000	$	73,000
Income taxes		—		18,000
Inc.- cont. oper.	$	8,000	$	55,000
Inc.- discont. oper.		202,000		12,000
Cum. effect of change in accntng. meth.		—		3,000
Net Income	$	210,000	$	70,000

Assets
(000's)

As of Nov. 30		1989		1988
Cash & short-term invest.	$	45,000	$	41,000
Accts. & notes receiv., net		264,000		235,000
*Inventories		214,000		229,000
Prepaid expenses		61,000		28,000
Net assets-discont. oper.		—		33,000
Current Assets	$	584,000	$	566,000

#Fixed assets	541,000	503,000
Investments & other assets	108,000	114,000
Net assets-discont. oper.	37,000	47,000
Total Assets	$ 1,270,000	$ 1,230,000

Liabilities
(000's)

Notes payable	$ 26,000	$ 13,000
Accts. payable	120,000	143,000
Accrued compensation	58,000	64,000
Income taxes	13,000	38,000
Other liab. & accruals	121,000	110,000
Restruc. & other reserves	63,000	33,000
Net liab.-discont. oper.	47,000	—
Curr. Liabilities	$ 448,000	$ 401,000
Long-term debt	496,000	674,000
Other liabilities	171,000	191,000
+Common stock	3,000	3,000
Add. paid-in capital	1,000	1,000
Retained earnings (deficit)	145,000	(45,000)
Cum. curr. trans. adjust.	6,000	5,000
Total Liabilities & Shareholders' Equity	$ 1,270,000	$ 1,230,000

* At lower of cost or market. Automotive & polymer prods. at LIFO; Aerojet at average cost; foreign operations at FIFO.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	9.06	8.26
Debt to Equity	3.37	—
Working Capital	$ 136,000,000	$ 165,000,000
Current Ratio	1.30	1.41
Shareholders' Equity (Deficiency)	$ 155,000,000	$ (36,000,000)

General Automation, Inc.

1055 S. East Street
Anaheim, California 92805
(714) 778-4800
FAX: (714) 778-5539

Officers: Paul Thompson, chairman of the board; Leonard N. Mackenzie, vice chairman; Douglas J. Tullio, president; Robert D. Bagby, v.p.-operations; Irvin Ella, v.p.-European operations; Donald W.S. Rutherford, v.p.-finance & administration & chief financial officer; John B. Conlan, Jr., secretary.

Directors: Paul Thompson, Jr., chairman of the board; John C. Ball, Andrew D. Darwin, Leonard N. Mackenzie, Philip T. Noden, Robert D. Bagby, Donald W.S. Rutherford.

Areas of Work: Designs, develops, manufactures, and markets business-oriented, multi-user microcomputers and fault-tolerant, self-checking architecture multi-user microcomputers.

Subsidiaries:

General Automation, Ltd.
United Kingdom

General Automation, S.A.
France

General Automation, S.A.
Belgium

Aston Technology, Ltd.
Birmingham, England
Engaged in the specification, integration and marketing of business computer systems.

Transfer Agent(s):

Bank of America
Corporate Agency Division
55 So. Flower Street
Los Angeles, California 90071

Stock Exchange(s): American

Ticker Symbol: GA

Number of Employees:

1989	324	1986	370
1988	440	1985	420
1987	400		

Plant Footage:

1989	48,000 sq. ft.	1986	115,000
1988	98,000	1985	115,000
1987	120,000		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 41,448,000	$ (1,639,000)
1988	50,929,000	(11,044,000)
1987	42,825,000	1,637,000
1986*	29,141,000	2,140,000
1985	52,847,000	(8,029,000)

	No. of Com. Shares	Earn. per Share ‡ +
1989	8,844,776	$ —
1988	5,637,388	—
1987	5,455,930	0.33
1986*	3,296,336	0.74
1985	2,692,930	—

(Loss)
* 11 months.
‡ Including extraordinary gains of $348,000 in 1989, $769,000 in 1988, $1,086,000 ($0.21 per share) in 1987 and $10,329,000 ($3.29 per share) in 1986.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 702,000	$ 0.08
1988	(36,000)	—
1987	10,975,000	2.01
1986	130,000	0.04
1985	(5,244,000)	—

(Deficiency)

Income Account *

Year ended June 30	1989	1988
Net sales	$ 41,448,000	$ 50,929,000
Cost of sales	25,074,000	32,259,000
Expenses	16,083,000	24,230,000
Prov. for dispos.	7,000	3,772,000
Interest expense	1,212,000	857,000
Other expense	716,000	642,000
Loss before taxes	$ (1,644,000)	$ (10,831,000)
Income taxes	343,000	982,000
Net Loss	$ (1,987,000)	$ (11,813,000)
Extraord. gain	348,000	769,000
Net Loss & extraord. gain	$ (1,639,000)	$ (11,044,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,369,000 in 1989 and $1,552,000 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 1,987,000	$ 805,000
Accts. receiv., net	9,186,000	12,147,000
* Inventories	6,564,000	9,179,000
Prepaid expenses	815,000	999,000
Current Assets	$ 18,552,000	$ 23,130,000
# Fixed assets	1,408,000	3,777,000
Goodwill	2,532,000	3,442,000
Other assets	1,777,000	2,403,000
Total Assets	$ 24,269,000	$ 32,752,000

Liabilities

Notes payable	$ 3,485,000	$ 4,057,000
Accts. payable	6,037,000	8,019,000
Adv. from customers	2,671,000	2,233,000
Accrued income taxes	946,000	5,111,000
Other accruals	3,915,000	11,962,000
Curr. Liabilities	$ 17,054,000	$ 31,382,000
Long-term debt	2,895,000	1,083,000
Accrued inc. taxes	3,584,000	—
Deferred income taxes	34,000	178,000
Deferred income	—	145,000
+ Common stock	885,000	564,000
Add. paid-in capital	39,543,000	37,493,000
Deficit	(40,141,000)	(38,502,000)
Translation adjustments	415,000	409,000
Total Liabilities & Shareholders' Equity	$ 24,269,000	$ 32,752,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	6.31	5.55
Working Capital	$ 1,498,000	—
Current Ratio	1.09	—
Shareholders' Equity (Deficiency)	$ 702,000	$ (36,000)

General Binding Corporation

(55.7% owned by Lane Industries, Inc.)

One GBC Plaza
Northbrook, Illinois 60062
(708) 272-3700
FAX: (708) 272-1389

Officers: William N. Lane, III, chairman; Rudolph Grua, president & chief exec. officer; Elliott L. Smith, exec. v.p.; John G. Lindroth, sr. v.p.-domestic sales; Joseph J. LaPorte, v.p.-corporate relations; Edward J. McNulty, v.p. & chief financial officer; Govi C. Reddy, sr. v.p., pres.-film products division; Walter M. Hebb, sr. v.p.-office products division; Steven Rubin, v.p., secretary & general counsel; John A. Janes, v.p., pres.-U.S. RingBinder Corp.; Paul E. Wiedlin, v.p.-manufacturing.

Directors: Rudolph Grua, Arthur C. Nielsen, Jr., Warren R. Rothwell, Thomas V. Kalebic, William N. Lane, III, Leslie R. Graham, James M. Denny, Robert J. Stucker, Harry Bruce.

Areas of Work: Engaged in the design, manufacture, and distribution of a broad line of business machines and related supplies which bind, laminate and shred printed materials. Also manufactures and distributes photo identification systems and ring elements for looseleaf binders.

Divisions and Subsidiaries:

U.S. RingBinder Corp.
New Bedford, Massachusetts

GBC Deutschland GmbH
Konigsbrunn, West Germany

GBC Australia Pty. Ltd.
Castle Hill, Australia

GBC Belgium N.V.
Belgium

GBC Espana
Spain

GBC Canada, Inc.
Don Mills, Ontario, Canada

GBC United Kingdom Limited
Basingstoke Hants, England

GBC France S.A.
Aulnay, France

GBC Nederland B.V.
Hoofdorp, The Netherlands

General Binding Corp. Italia S.p.A.
Tornaco, Italy

GBC Hi Tech (India) S.p.A.
India

GBC Japan K.K.
Noda, Japan

Grupo GBC S.A. de C.V. (Mexico)
Mexico City, Mexico

GBC Schweiz A.G.
Wollerau, Switzerland

GBC New Zealand Ltd.
Auckland, New Zealand

U.S. Ringbinder (Singapore) Pte. Ltd.
Singapore

GBC Austria GmbH
GBC Belgium N.V.
GBC Espana
GBC Scandinavia A.B.

GBC Nuevo Laredo
Nuevo Laredo, Mexico
Manufactures stock plastic bindings and specialty loose-leaf metals.

Acquisition:

Loose Leaf Metals Co.
St. Louis, Mississippi
Manufactures and distributes standard three ring metals and specialty loose leaf metal elements to the binder industry.

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBND (NASDAQ)

Number of Employees:

1989 3,332
1988 3,159
1987 3,099
1986 3,049
1985 3,056

Plant Footage:

1989 .... N. A.
1988 .... 821,000 sq. ft.
1987 773,000

N. A.- Not Available

Sales & Earnings

	Net Sales †	Net Income
1989	$ 283,691,000	$ 20,105,000
1988	250,626,000	14,856,000
1987	212,005,000	10,873,000
1986	181,385,000	6,030,000
1985	160,048,000	3,606,000

	No. of Com Shares +	Earn. per Share
1989	15,962,000	$ 1.26
1988	16,077,000	0.92
1987	16,115,000	0.67
1986	16,302,000	0.37
1985	16,549,000	0.22

† Of continuing operations only.
+ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1989	1988	1987	1986
Business machines	25 %	26 %	25 %	23 %
Related supplies & other products	75	74	75	77
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.274	—	3-for-2
1988	0.186	—	
1987	0.130	—	3-for-2
1986	0.119	—	—
1985	0.110	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 104,534,000	$ 6.56
1988	92,163,000	5.77
1987	83,613,000	5.19
1986	71,516,000	4.45
1985	67,511,000	4.08

‡ Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 283,691	$ 250,626
Cost of sales	145,307	127,148
Expenses	109,060	98,560
Interest expense	1,672	1,322
Other income	(1,111)	(861)
Income before taxes	$ 28,763	$ 24,457
Income taxes	8,658	9,601
Net Income	$ 20,105	$ 14,856

* Included in Costs and Expenses, Depreciation and Amortization: $6,131,000 in 1989 and $5,878,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 6,151	$ 15,921
Receiv., net	51,046	46,530
*Inventories	52,974	45,398
Prepaid income taxes	6,627	5,735
Other curr. assets	3,568	4,396
Current Assets	$ 120,366	$ 117,980
#Fixed Assets	43,982	38,246
Other assets	9,089	5,001
Total Assets	$ 173,437	$ 161,227

Liabilities
(000's)

Notes payable	$ 11,121	$ 8,872
Long-term debt, curr.	252	559
Accts. payable	16,782	19,218
Accrued payroll	6,503	7,697
Accrued taxes	2,253	2,430
Def. income on maint. agree.	5,962	5,532
Other accruals	9,197	7,854
Income taxes	1,951	4,312
Curr. Liabilities	$ 54,021	$ 56,474
Long-term debt	4,667	4,558
Cap. lease oblig.	475	624
Other liab.	2,044	1,577
Deferred inc. taxes	7,696	5,831
+Common stock	2,262	1,504
Add. paid-in capital	5,132	5,478
Retained earnings	109,498	93,758
Cum. trans. adjust.	1,078	2,144
Treasury stock	(13,436)	(10,721)
Total Liabilities & Shareholders' Equity	$ 173,437	$ 161,227

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.14	9.76
%Net Income to Sales	7.09	5.93
%Net Income to Equity	19.23	16.12
Sales to Inventories	5.36	5.52
Debt to Equity	0.16	0.16
Working Capital	$ 66,345,000	$ 61,506,000
Current Ratio	2.23	2.09
Shareholders' Equity	$ 104,534,000	$ 92,163,000

General Ceramics, Inc.

(The Company is a private corporation.)

Greenwood Avenue
Haskell, New Jersey 07420
(201) 839-1600

Officers: Melvin Eisenberg, president & chief executive officer; Fedia R. Charvat, v.p. & gen. mgr.-National Beryllia Division; Krishna V. Agnihotri, v.p. & dir. of technology; Robert J. Sisolak, v.p. & gen. mgr.-Ceramic Systems Div. and Tekform Products Div.; Harry S. Axt, v.p., secretary, treasurer & chief financial officer; Carolyn M. Gagas, asst. secretary.

Directors: Henry H. Arnhold*, Melvin Eisenberg*, Herman Fialkov, Bruce A. MacNaughton*, Stanford S. Warshawsky, Charles J. Lawson*, Jr., Kenneth E. Davis.

* Member of the Executive Committee

Areas of Work: Engaged in the manufacture and sale of ceramic and metal components used for discrete power transistors and diodes, integrated circuit and hybrid circuit devices, electrical insulation, etc.

Divisions:

Ceramic Systems
2780 Coronado Street
Anaheim, California 92806
(714) 630-6108

National Beryllia
Greenwood Avenue
Haskell, New Jersey 07420
(201) 839-1600

Tekform Products
2770 Coronado Street
Anaheim, California 92806
([illegible]4) 630-2340

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1988	$ 21,127,400	$ 647,729
1987	30,423,494	3,848,829
1986	25,910,959	3,285,820
1985	23,029,985	2,485,453
1984	12,260,480	1,772,356

	No. of Com. Shares +	Earn. per Share †
1988	3,270,185	$ 0.20
1987	3,227,576	1.18
1986	2,806,560	1.13
1985	2,692,238	0.87
1984	2,679,580	0.63

+ Adjusted to reflect stock splits.
† Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.10	—	—
1987	0.09	—	
1986	0.07	—	—
1985	0.05	—	2-for-1
1984	0.04	—	5-for-4

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 25,189,424	$ 7.70
1987	24,803,064	7.68
1986	14,149,531	5.04
1985	10,573,393	3.93
1934	8,204,382	3.06

† Adjusted to reflect stock splits.

Income Account

Year ended June 30	1988	1987
Net sales	$ 21,127,400	$ 30,423,494
Cost of sales	16,119,196	18,748,154
Expenses	3,778,047	3,815,004
Depreciation	917,027	812,218
Interest income	(766,599)	(497,711)
Income before taxes	$ 1,079,729	$ 7,545,829
Income taxes	432,000	3,697,000
Net Income	$ 647,729	$ 3,848,829

Assets

As of June 30	1988	1987
Cash	$ 3,953,186	$ 6,440,354
Marketable securities	9,505,655	5,212,500
Accts. receiv., net	2,578,901	5,054,923
* Inventories	3,258,750	3,157,013
Loan due from officer	224,799	311,165
Prepaid expenses & other current assets	375,919	521,086
Income taxes receiv.	299,832	—
Current Assets	$ 20,197,042	$ 20,697,041
#Fixed assets	7,060,175	6,902,031
Other assets	194,230	—
Total Assets	$ 27,451,447	$ 27,599,072

Liabilities

	1988	1987
Accts. payable	$ 758,930	$ 761,594
Accruals	1,020,760	1,080,173
Inc. taxes pay.	—	753,728
Other curr. liab.	186,003	136,413
Curr. Liabilities	$ 1,965,693	$ 2,731,908
Deferred inc. taxes	102,100	64,100
Accrued pension liab.	194,230	—
+ Common stock	3,295,616	3,240,868
Add. paid-in capital	8,640,370	8,427,028
Retained earnings	13,732,840	13,410,503
Treasury stock	(479,402)	(275,335)
Total Liabilities & Shareholders' Equity	$ 27,451,447	$ 27,599,072

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.11	24.80
% Net Income to Sales	3.07	12.65
% Net Income to Equity	2.57	15.52
Sales to Inventories	6.48	9.64
Working Capital	$ 18,231,349	$ 17,965,133
Current Ratio	10.27	7.58
Shareholders' Equity	$ 25,189,424	$ 24,803,064

General DataComm Industries, Inc.

1579 Straits Turnpike
Middlebury, Connecticut 06762-1299
(203) 574-1118
FAX: (203) 758-8507

Officers: Charles P. Johnson, chairman of the board & chief executive officer; Ross A. Belson, president & chief operating officer; Frederick R. Cronin, v.p.-technology; Robert S. Smith, v.p.-corporate planning; William S. Lawrence, v.p.-finance & chief financial officer; James R. Arcara, v.p.-corporate operations; Dennis J. Nesler, v.p. & treasurer; Howard S. Modlin, secretary; Daniel L. Young, v.p.-marketing; Rick L. Mantz, v.p.-engineering; William G. Henry, corporate controller; August J. Hof, v.p.-manufacturing operations; Mary Monnet, v.p.-human resources.

Directors: Charles P. Johnson, chairman; Howard S. Modlin, Frederick R. Cronin, Lee M. Paschall.

Areas of Work: Designs, produces, markets, installs, and services communications equipment and networks that transmit data, voice and video over private and public telecommunications facilities. Company- manufactured products include time division and statistical multiplexers, packet switches, a wide range of analog and digital data sets, and network control and diagnostic equipment to monitor and maintain communications systems.

Subsidiaries:

General DataComm, Inc.
DataComm Leasing Corporation
DataComm Service Corporation
General DataComm Limited (England)
General DataComm Ltd. (Canada)
General DataComm International Corporation
General DataComm Systems, Inc.
General DataComm Foreign Sales Corporation
GDC Realty Inc.
General DataComm Pty. Limited (Australia)
DataComm Service Corporation

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: GDC

Number of Employees:

1989	2,106	1986	2,517
1988	2,493	1985	2,629
1987	2,640		

Plant Footage:

1989	635,000 sq. ft.	1987	892,000
1988	677,500		

Sales & Earnings

	Revenues	Net Income
1989	$ 201,218,000	$ (8,999,000)
1988	196,215,000	(18,406,000)
1987	206,889,000	783,000
1986	182,703,000	3,926,000
1985	190,976,000	10,800,000

	No. of Com. Shares #	Earn. per Share #
1989	14,734,000	$ —
1988	14,442,000	—
1987	15,033,000	0.05
1986	15,335,000	0.26
1985	15,289,000	0.71

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 55,291,000	$ 3.75
1988	63,904,000	4.42
1987	82,739,000	5.50
1986	84,739,000	5.53
1985	81,725,000	5.35

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1989	1988
Revenues	$ 201,218,000	$ 196,215,000
Cost of revenues	109,232,000	112,797,000
Expenses	93,389,000	91,233,000
Restruc. of oper.	5,265,000	7,874,000
Interest expense	4,173,000	3,025,000
Other income	(776,000)	(308,000)
Loss before taxes	$ (10,065,000)	$ (18,406,000)
Tax credit	(1,066,000)	—
Net Loss	$ (8,999,000)	$ (18,406,000)

* Included in Costs and Expenses, Depreciation and Amortization: $15,115,000 in 1989 and $13,989,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 2,193,000	$ 3,355,000
Accts. receiv., net	39,660,000	44,187,000
*Inventories	50,177,000	50,762,000
Prepaid expenses & other assets	6,756,000	6,166,000
Current Assets	$ 98,786,000	$ 104,470,000
#Fixed assets	39,480,000	45,137,000
Other assets	10,040,000	4,793,000
Total Assets	$ 148,306,000	$ 154,400,000

Liabilities

	1989	1988
Cap. lease oblig., curr.	$ 4,335,000	$ 5,231,000
Accts. payable	7,167,000	7,049,000
Accrued payroll	6,111,000	6,813,000
Deferred income	3,556,000	3,142,000
Accrued restruc. costs	3,122,000	5,216,000
Other curr. liab.	9,715,000	9,710,000
Curr. Liabilities	$ 34,006,000	$ 37,161,000

Bankers' acceptances	29,969,000	22,932,000
Cap. lease oblig.	6,012,000	7,230,000
Deferred income	17,446,000	19,049,000
Deferred inc. taxes	2,766,000	2,862,000
Accrued restruc. costs	2,150,000	—
Other liabilities	666,000	1,262,000
+Common stock	1,590,000	1,557,000
Add. paid-in capital	46,331,000	45,213,000
Retained earnings	14,289,000	23,288,000
Treasury stock	(7,198,000)	(7,192,000)
For. curr. trans. adjust.	279,000	1,038,000
Total Liabilities & Shareholders' Equity	$ 148,306,000	$ 154,400,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.34	3.24
Debt to Equity	0.73	0.19
Working Capital	$ 64,780,000	$ 67,309,000
Current Ratio	2.90	2.81
Shareholders' Equity	$ 55,291,000	$ 63,904,000

General Dynamics Corporation

Pierre Laclede Center
St. Louis, Missouri 63105-1861
(314) 889-8200

Officers: Stanley C. Pace, chairman of the board & chief exec. officer; Herbert F. Rogers, president & chief operating officer; Lester Crown, exec. v.p. & chairman-Material Service Corporation; James R. Mellor, exec. v.p.-Marine, Land Systems & International; Ralph E. Hawes, exec. v.p.-missiles & electronics; Russell W. Meyer, Jr., exec. v.p. & chairman-Cessna Aircraft Company; James J. Cunnane, v.p. & chief financial officer; Melville R. Barlow, v.p. & gen. mgr.-electronics; Michael C. Keel, v.p. & gen. mgr.-valley systems; David J. Wheaton, v.p.-program development & planning; E. Alan Klobasa, corp. secretary; Reginald G. Low, v.p.-technology development & engineering; William H. L. Mullins, v.p.-government relations; Sterling V. Starr, v.p. & general manager-Pomona; Alan M. Lovelace, v.p. & general manager-space systems; Robert H. Duesenberg, v.p. & general counsel; Charles A. Anderson, v.p. & gen. mgr.-Fort Worth Division; Arch H. Rambeau, v.p.-human resources; James E. Turner, Jr., v.p. & gen. mgr.-Electric Boat; C. Robert Stoker, v.p. & treasurer; Frederick S. Wood, exec. v.p.-contracts, pricing & international offset; B. Edward Ewing, v.p.-operations; John E. McSweeney, v.p. & gen. mgr.-Convair Division; Robert W. Truxell, v.p. & gen. mgr.-Land Systems; Robert A. Morris, v.p.-communications; Asaph H. Hall, v.p. & gen. mgr.-data systems.

Directors: Stanley C. Pace, chairman; Thomas G. Ayers; Lester Crown, Milton Falkoff, Harvey Kapnick, James R. Mellor, Russell W. Meyer, Jr., Herbert F. Rogers, Elliot H. Stein, James S. Crown, David S. Lewis, Allen E. Puckett, Bernard W. Rogers, Cyrus R. Vance.

Areas of Work: Design, engineering and manufacturing of military aircraft, missiles and gun systems, space systems and their related subassemblies and components, as well as the design and production of various defense electronic systems and products; design, engineering and manufacturing of submarines, tanks, land vehicles and support systems, and general aviation aircraft; production of commercial aircraft subassemblies and electric motors, commercial space launch vehicles and services, operation of Maritime Prepositioning Ships; production of building products, lime and the mining of coal.

Divisions:

Convair Division
5001 Kearny Villa Road
San Diego, California 92123
(619) 573-8000

Data Systems Division
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141
(314) 851-8900

Electric Boat Division
75 Eastern Point Road
Groton, Connecticut 06340
(203) 441-1000

Electronics Division
5011 Kearny Villa Road
San Diego, California 92123
(619) 573-6111

Fort Worth Division
General Dynamics Boulevard
Fort Worth, Texas 76101
(817) 777-2000

Land Systems Division
38500 Mound Road
Sterling Heights, Michigan 48310
(313) 825-4000

Pomona Division
1675 West Mission Boulevard
Pomona, California 91766
(714) 868-1000

Space Systems Division
5001 Kearny Villa Road
San Diego, California 92123
(619) 573-8000

Valley Systems Division
11000 East Fourth Street
Rancho Cucamonga, California 91730
(714) 945-7000

Subsidiaries:

American Overseas Marine Corporation
116 East Howard Street
Quincy, Massachusetts 02169
(617) 786-8300

Marblehead Lime Company
222 N. LaSalle Street
Chicago, Illinois 60601
(312) 263-4490

Material Service Corporation
222 N. LaSalle Street
Chicago, Illinois 60601
(312) 372-3600

Freeman United Coal Mining Company
222 N. LaSalle Street
Chicago, Illinois 60601
(312) 263-2800

General Dynamics Services Co.
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141
(314) 851-4050

Cessna Aircraft Company
Mid-Continent Airport
6330 Southwest Boulevard
Wichita, Kansas 67215
(316) 946-6000
Manufacture of general aviation aircraft.

Transfer Agent(s):

General Dynamics Corporation
(common & preferred)
Pierre Laclede Center
St. Louis, Missouri 63105

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GD

Number of Employees:

(at fiscal year end)

1988	102,800	1985	103,300
1987	105,300	1984	92,809
1986	105,400		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1988	$ 9,551,000	$ 379,000
1987	9,412,000	437,300
1986	8,959,000	(52,500)
1985	7,993,000	383,300
1984	7,328,000	381,700

	No. of Com. Shares	Earn. per Share #
1988	41,688,996	$ 9.03
1987	41,924,750	10.26
1986	42,926,657	—
1985	42,453,846	9.05
1984	43,206,113	8.08

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1988	1987
Gov't. aerospace	$ 5,901,500	$ 5,673,500
Submarines	1,548,400	1,602,800
Land systems	1,001,200	1,042,900
General aviation	453,700	457,300
Material serv. & resources	413,200	462,000
Other	233,000	173,600
Total	$ 9,551,000	$ 9,412,100

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 1.00	—	—
1987	1.00	—	
1986	1.00	—	—
1985	1.00	—	—
1984	1.00	—	—

Common Stock Equity
(000's)

	Total Equity	Equity Per Share
1988	$ 1,922,000	$ 46.10
1987	1,601,000	38.19
1986	1,264,000	29.45
1985	1,336,000	31.46
1984	1,062,100	24.58

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	$ 9,551,000	$ 9,412,100
Cost of sales	9,028,900	8,762,100
Int. expense	48,400	41,400
Other expense	18,700	9,700
Income before taxes	$ 455,000	$ 598,900
Income taxes	76,000	161,600
Net Income	$ 379,000	$ 437,300

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $326,400,000 in 1988 and $320,600,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	$ 227,800	$ 181,100
Accts. receiv., net	444,900	393,100
Gov't. contracts in progress	2,361,300	2,041,500
*Inventories	446,000	370,400
Notes & leases receiv.	108,400	84,200
Prepaid expenses	47,400	61,200
Current Assets	$ 3,635,800	$ 3,131,500
Deferred charges	138,400	224,600
#Fixed assets	1,700,000	1,496.300
Assets leased under oper. leases	91,700	71,600
Notes & leases receiv.	485,700	527,500
Acq. cost of MI Tank Prog.	66,500	101,900
Total Assets	$ 6,118,100	$ 5,554,000

Liabilities
(000's)

Commercial paper	$ 40,000	$ —
Long-term debt, curr.	78,800	15,100
Accts. payable	852,500	674,100
Accrued salaries	222,600	215,300
Other accruals	361,700	325,100
Inc. taxes payable	78,600	202,100
Def. income taxes	398,600	563,100
Curr. Liabilities	$ 2045,700	$ 2,058,300
Long-term debt	974,900	849,600
Product liability	177,100	167,400
Deferred inc. taxes	470,100	375,000
Other liabilities	528,300	502,700
+Common stock	55,400	55,400
Add. paid-in capital	24,700	24,700
Retained earnings	2,611,800	2,280,300
Treasury stock	(769,900)	(759,400)
Total Liabilities & Shareholders' Equity	$ 6,118,100	$ 5,554,000

* At lower of average cost or market. Aviation inventories at LIFO.
# Less accumulated depreciation, depletion and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.76	6.36
%Net Income to Sales	3.97	4.65
%Net Income to Equity	19.72	27.31
Sales to Inventories	21.41	25.41
Debt to Equity	0.55	0.54
Working Capital	$ 1,590,100,000	$ 1,073,200,000
Current Ratio	1.78	1.52
Shareholders' Equity	$ 1,922,000,000	$ 1,601,000,000

General Electric Canada Inc.

(formerly Canadian General Electric Company Limited)

2300 Meadowvale Boulevard
Mississauga, Ontario L5N 5P9, Canada
(416) 858-5100

NOTE: The Company has become a wholly-owned subsidiary of the General Electric Company.

Officers: William R. C. Blundell, chairman & chief executive officer; Robert T. E. Gillespie, exec v.p.; Stephen G. Snyder, president & chief exec. officer-Camco Inc.; Michael N. Davies, v.p., general counsel & secretary; Carl B. Haller, treasurer; D. Peter Donovan, comptroller; Ian A. Bourne, v.p.-finance; Walter R. Fell, v.p. & mgr.-hydro; Harold G. Giles, v.p. & gen. mgr.-corporate human resources; Paul D. Scholfield, v.p. & gen. mgr.-power systems & services; W. David Wrench, v.p. & gen. mgr.-motors & drives; Michael W. D. Howell, v.p. & mgr.-corp. business development; Geoffrey E. Relph, chief information officer; Neil Parker, v.p. & gen. mgr.-lighting products.

Directors: D. Steele Curry, Frank P. Doyle, H. Ian Macdonald, Antoine Turmel, Denis W. Timmis, John A. Urquhart, William R. C. Blundell, Guy St-Germain, Bernd K. Koken, Bernard Lamarre, John D. Opie.

Divisions:

Consumer Division
Manufactures, markets and services televisions, radios, stereos, kitchen and laundry appliances, room air conditioners, portable electric housewares and lighting products.

Technology Division
Products include aircraft engines, aerospace products, plastics/silicones and specialty materials, medical systems, industrial automation and communications products and services.

Resources and Power Generation Division
Products and services include motors and drives, power systems and services, and oil and gas properties and services.

Subsidiary Companies:

Amalgamated Electric Corporation Limited
Camco Inc.
Canadian General Electric International Limited
Cange Limited
Corod Industries Inc.
Dominion Engineering Company Limited
Geneicom Limited
Installations Benjamin Inc.
W.L. Stevens Limited
Corod Oilfield Industries Inc.
GETSCO Technical Services Inc.

RCA Inc.
Vaudreuil, Quebec, Canada
Supplies electro optical components and subsystems for space, defense, communications and industrial applications.

Associated Companies:

Alliance Ballast Inc.
Valmet-Dominion Inc.
GE Fanuc Automation Canada Inc.

Affiliated Companies:

General Electric Capital Canada Inc.
General Electric Capital Equipment Leasing Inc.
General Electric Capital Real Estate Finance Inc.
669399 Ontario Limited
General Electric Capital Equipment Finance Inc.
General Electric Capital Canadian Holdings Limited
General Electric Vehicle Management Inc.
Transport International Pool of Canada Limited
General Electric Railcar Services Canada Ltd.

Transfer Agent(s):

National Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: CGET

Number of Employees:

1988	10,326	1985	11,605
1987	10,425	1984	12,300
1986	11,480		

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 1,587,096,000	$ 74,800,000
1987	1,689,345,000	62,500,000
1986	1,642,350,000	56,300,000
1985	1,493,700,000	52,800,000
1984	1,417,700,000	35,600,000

	No. of Com. Shares †	Earn. per Share #
1988	49,072,800	$ 1.52
1987	49,072,800	1.27
1986	49,072,800	1.15
1985	49,072,800	1.08
1984	49,072,800	0.73

‡ Includes sales of products and services.
† Adjusted to reflect stock split.
# Based on the number of common shares outstanding assuming conversion of all cumulative convertible preferred shares adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Technology	$ 554,315,000	$ 564,476,000
Major appliances	558,771,000	526,053,000
Resources & power generation	472,284,000	494,485,000
Gen. corporate	1,726,000	104,331,000
Total	$ 1,587,096,000	$ 1,689,345,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.55	—	—
1987	2.17	—	
1986	0.40	—	—
1985	0.40	—	—
1984	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 557,487,000	$ 11.36
1987	509,670,000	10.39
1986	465,581,000	9.49
1985	516,840,000	10.53
1984	N.A.	9.86

N.A. - Not Available
‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1988	1987
Net sales & services	$ 1,587,096	$ 1,689,345
Costs of sales & exp.	1,410,349	1,535,333
Depreciation & amortization	45,733	39,538
Misc. taxes	10,392	10,392
Other income	(36,719)	(25,444)
Interest expense	11,323	6,036
Income before taxes	$ 146,018	$ 123,490
Income taxes	56,587	49,925
Minority interest	14,625	11,075
Net Income	$ 74,806	$ 62,490

Assets
(000's)

As of Dec. 31	1988	1987
Cash	$ 175,773	$ 91,236
Receiv., net	304,281	340,182
*Inventories	300,027	237,663
Deferred taxes	33,591	21,698
Current Assets	$ 813,672	$ 690,779

Investments	15,068	16,093
Long-term. receiv.	7,286	10,598
#Fixed assets	268,576	255,759
Oil & gas resources props.	33,159	34,550
Deferred charges & other assets	36,852	22,482
Total Assets	$ 1,174,613	$ 1,030,261

Liabilities
(000's)

Short-term borrowings	$ 17,732	$ 27,323
Accts. payable	138,649	123,903
Progress collections	90,848	57,778
Taxes payable	31,698	19,664
Other liabilities	183,589	161,985
Curr. Liabilities	$ 462,516	$ 390,653
Long-term borrowings	2,711	3,543
Accruals	29,734	26,802
Minority interest	60,[illegible]9	50,525
Deferred inc. taxes	61,3[illegible]	49,068
+Common stock	26,[illegible]2	26,942
Retained earnings	530,545	482,728
Total Liabilities & Shareholders' Equity	$ 1,174,613	$ 1,030,261

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	9.20	7.31
%Net Income to Sales	4.71	3.70
%Net Income to Equity	13.42	12.26
Sales to Inventories	5.29	7.11
Debt to Equity	0.04	0.06
Working Capital	$ 300,126,000	$ 300,126,000
Current Ratio	1.77	1.77
Shareholders' Equity	$ 557,487,000	$ 509,670,000

General Electric Company

3135 Easton Turnpike
Fairfield, Connecticut 06431
(203) 373-2431
FAX: (203) 373-3131

Officers: John F. Welch, Jr., chairman of the board & chief executive officer; Lawrence A. Bossidy, vice chairman & executive officer; Edward E. Hood, Jr., vice chairman & executive officer; James R. Bunt, v.p.; Paul W. Van [illegible]den, exec. v.p.; Dennis D. Dammerman, sr. v.p.-finance; Jack O. Peiffer, sr. v.p.-exec. management; Frank P. Doyle, sr. v.p.-relations; Walter L. Robb, sr. v.p.-research & development; Benjamin W. Heineman, Jr., sr. v.p., general counsel & secretary; James J. Costello, v.p. & comptroller; Dale F. Frey, v.p. & treasurer, and chairman & pres.-General Electric Investment Corp.; Joseph Handros, v.p. & deputy general counsel; Joyce Hergenhan, v.p.-public relations; Eugene P. Nesbeda, v.p.-business developmnent & planning; Teresa M. LeGrand, v.p.-audit staff; Phillips S. Peter, v.p.-government relations; William J. Sheeran, v.p.-engineering, production & sourcing; Arthur V. Puccini, v.p.-employee relations; Edward J. Skiko, v.p.-information technology; Philip A. Lacovara, v.p. & sr. counsel-litigation & legal policy; John M. Samuels, v.p. & sr. counsel-tax policy & planning.

Directors: John F. Welch, Jr., chairman; H. Brewster Atw[illegible]er, Jr., Richard T. Baker, Lawrence A. Bossidy, Charles D. D[illegible]ey, Jr., Lawrence E. Fouraker, Henry H. Henley, Jr., Henry L. Hillman, Edward E. Hood, Jr., David C. Jones, Robert E. Mercer, Gertrude G. Michelson, Barbara Scott Preiskel, Lewis T. Preston, Frank H. T. Rhodes, Andrew C. Sigler, William French Smith, Walter B. Wriston.

Areas of Work: Aerospace products and services span space sciences, radar systems, electronics and microelectronics, ordnance systems, avionics, computer software, space satellites, and simulation and control systems. Most aerospace sales are to agencies of the United States government, principally the Department of Defense and NASA.

Aircraft engines and replacement parts are manufactured and sold by GE for use in military and commercial aircraft, for use in naval ships and for use as industrial power sources. GE's military engines are used in a wide variety of aircraft that includes fighters, bombers, tranports and helicopters. GE also produces jet engines for executive aircraft and regional commuter airlines.

Consumer products include lighting products, which include a wide variety of lamps, incandescent, fluorescent, high-intensity, halogen and specialty as well as wiring devices and quartz products.

The industrial segment includes factory automation products, comprised of electrical and electronic products, including motors and motor-related products, consisting mainly of appliance motors and controls; electrical distribution and circuit protection equipment needed for installation in commercial, industrial and residential building; the GE Supply Company Division, which operates a nationwide network of electrical supply houses, transportation systems, which include diesel-electric and electric locomotives, transit propulsion equipment, motorized wheels for off-highway vehicles, and drilling drives.

The major appliance segment includes both GE and Hotpoint brands of kitchen and laundry equipment, such as refrigerators, ranges, microwave ovens, freezers, dishwashers, clothes washers and dryers, and room air conditioners.

The materials segment includes high-performance engineering plastics, silicones, superabrasives and laminates. This segment also includes Ladd Petroleum Corporation, an oil and natural gas developer and supplier.

The power systems segment provides products for the generation, transmission and distribution of electricity; industrial drives; and related construction, installation, engineering and repair services.

Technical products and services include medical systems and services, communications and information services, and the Calma Company. Medical systems include magnetic resonance (MR) scanners, computer tomography (CT) scanners, x-ray, nuclear imaging, ultrasound, and other diagnostic equipment and supporting services; principal communications operations involve the furnishing of domestic satellite communications services by RCA Americom and the furnishing of international communications services by RCA Globcom; mobile communications products consist mainly of mobile and hand-carried two-way and one-way radio equipment and cellular telephones; the Calma Company designs, manufactures and sells interactive graphics systems for computer-aided design and manufacturing.

GE is also involved in network television through the National Broadcasting Company, and in financial services through the General Electric Credit Corporation, Employers Reinsurance Corporation, and the 80%-owned Kidder, Peabody Group, Inc.

Principal Subsidiaries:

RCA Corporation
RCA American Communications (Americom)

General Electric Financial Services, Inc.
General Electric Credit Corporation
Employers Reinsurance Corporation
Kidder, Peadbody Group, Inc. (80% owned)

National Broadcasting Company
GE Computer Service
GE Information Services Company
GE Consulting Services
Calma Company
Ladd Petroleum Corporation

Roper Corporation
1905 West Court Street
Kankakee, Illinois 60901
Manufactures appliances, principally gas ranges.

Transfer Agent(s):

The Bank of New York
Church Street Station
P.O. Box 11002
New York, New York 10249-1002

Stock Exchange(s): New York, Midwest*, Pacific*, Paris, Cincinnati, Philadelphia*, Boston, London, Tokyo
*Unlisted trading privileges

Ticker Symbol: GE

Number of Employees:

1989	292,000	1986	359,000
1988	298,000	1985	304,000
1987	302,000		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 54,574,000	$ 3,939,000
1988	50,089,000	3,386,000
1987	48,158,000	2,915,000
1986	42,013,000	2,492,000
1985	32,624,000	2,277,000

	No. of Com. Shares †	Earn. per Share ‡ †
1989	904,223,000	$ 4.36
1988	901,780,000	3.75
1987	911,639,000	3.20
1986	912,594,000	2.73
1985	910,762,000	2.50

‡ Including extraordinary loss of $62,000,000 ($0.07 per share) in 1987.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Aerospace	$ 5,282,000	$ 5,343,000
Aircraft engines	6,863,000	6,481,000
Broadcasting	3,392,000	3,638,000
Industrial	7,059,000	7,061,000
Major appliances	5,620,000	5,289,000
Materials	4,929,000	3,539,000
Power systems	5,129,000	4,805,000
Technical prods.	4,545,000	4,431,000
Earn. of GE Fin. Serv.	927,000	788,000
Other	319,000	394,000
Eliminations	(1,415,000)	(1,477,000)
GE Fin. Serv.	11,924,000	9,797,000
Total	$ 54,574,000	$ 50,089,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 1.700	—	—
1988	1.460	—	
1987	1.325	—	2-for-1
1986	1.185	—	—
1985	1.115	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1989	$ 20,890,000	$ 23.10
1988	18,466,000	20.48
1987	16,480,000	18.08
1986	15,109,000	16.56
1985	13,671,000	15.01

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales & services	$ 40,987,000	$ 38,793,000
GE Fin. Serv. earned inc. from oper.	12,897,000	10,621,000
Other income	690,000	675,000
Total income	$ 54,574,000	$ 50,089,000

Cost of sales & services	29,700,000	28,831,000
Interest charges	6,591,000	4,817,000
Insur. policy holder losses & benefits	1,614,000	1,501,000
Prov. for losses on financing receiv.	527,000	434,000
Other expense	10,355,000	9,724,000
Minority interest	84,000	61,000
Income before taxes	$ 5,703,000	$ 4,721,000
Income taxes	1,764,000	1,335,000
Net Income	$ 3,939,000	$ 3,386,000

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $2,256,000,000 in 1989 and $2,266,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 2,258,000	$ 2,456,000
Marketable securities	15,287,000	10,599,000
Secur. purch. under agree. to resell	16,020,000	13,811,000
Receiv., net	6,976,000	6,780,000
*Inventories	6,655,000	6,486,000
GE Fin. Serv. receiv.	47,255,000	40,531,000
#Fixed assets	15,646,000	13,611,000
Intangibles	8,822,000	8,552,000
Other assets	9,425,000	8,039,000
Total Assets	$ 128,344,000	$ 110,865,000

Liabilities
(000's)

Short-term borrowings	$ 37,200,000	$ 30,422,000
Accts. payable	6,666,000	6,004,000
Secur. sold under agree. to repurchase	16,555,000	13,864,000
Secur. sold but not yet purch.	4,090,000	2,088,000
Prog. collection	3,315,000	3,504,000
Dividends payable	426,000	369,000
Accruals	5,650,000	5,549,000
Long-term debt	16,110,000	15,082,000
Reserves of insur. affil.	5,032,000	4,177,000
Other liabilities	7,866,000	6,986,000
Def. inc. taxes	3,543,000	3,373,000
Minority interest	1,001,000	981,000
+Common stock	584,000	584,000
Add. paid-in capital	826,000	823,000
Retained earnings	20,352,000	17,950,000
Treasury stock	(872,000)	(891,000)
Total Liabilities & Shareholders' Equity	$ 128,344,000	$ 110,865,000

* At LIFO, not in excess of realizable values.
# Less accumulated depreciation.
+ $0.63 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.91	12.17
%Net Income to Sales	9.61	8.73
%Net Income to Equity	18.86	18.34
Debt to Equity	2.55	2.46
Shareholders' Equity (000's)	$ 20,890,000	$ 18,466,000

The General Electric Company, p.l.c.

1 Stanhope Gate
London W1A 1EH, England
01-493 8484

Officers: Lord Weinstock, chairman; M. R. Bates, deputy chairman; K. A. Bray, engines & systems; J. B. Cronin*, power systems; R. J. Davidson, power systems; J. D. Gadd, consumer products; C. S. Gaskell, electronic instruments; P.J. Gillibrand, press and publicity; P. G. Higgins, overseas operations; K. H. Hodgkinson, electronic metrology; O. S. Johnson*, wire and cables; M. Lester, legal; A. J. Lippitt*, export promotion; I. G. MacBean, electronics; Hon. Mrs. Sara Morrison, employee relations; A. J. Rogers, finance; D.B. Newlands, finance; G. H. Trollope, industrial relations; Hon. Simon Weinstock, commercial affairs: R. J. Williams, business development.

* Member of the Executive Committee

Directors: The Right Hon. Lord Prior, chairman; M. R. Bates, deputy managing director; Sir Kenneth Bond, vice chairman; Lord Catto, R. J. Davidson, S. Z. de Ferranti, J.D. Gadd, R. H. Grierson, M. Lester, Sir William Rees-Mogg, Hon. Mrs. Sara Morrison, E. T. Hall, F. Ross Johnson, I. G. MacBean, D. B. Newlands, D. Powell, D. H. Roberts, A. J. Rogers, Hon. Simon Weinstock, Lord Weinstock, R. J. Williams.

Areas of Work: In the area of Electronic Systems and Components, the Company manufactures electronic warfare equipment, including artillery command and control systems, anti-aircraft turrets, aircraft head up displays, missile seekers, antisubmarine equipment, infra-red warning receivers, and software for Tornado systems and Upholder submarines; small mobile terminals for satellite communications; thermal imagers, high-frequency receivers, automatic cross connection equipment for digital line circuits; engineering workstations, printed circuit board test systems, photoplotters, cathode ray tubes, surge arresters, miniature magnetrons and hybrid integrated circuit packages, variable vacuum capacitors for medical equipment, UHF television klystons and thyratrons, television camera tubes, car aerial systems, and quartz crystal oscillators.

In the area of Telecommunications and Business Systems, the Company manufactures digital exchange equipment, transmission products, including optical fiber systems, microwave radio systems and associated equipment; PABX equipment, telephones, time control and security systems, computer systems and software, optical fiber cable, industrial coding products, plain-paper copiers, continuous forms printers, and electronic publishing systems. The Company also operates a private mobile radio network.

In the area of Automation and Control, the Company manufactures automatic guided vehicles, robots, mine winder drive systems, generation and propulsion systems and dynamic ship positioning systems for sea-going vessels, control towers, industrial microprocessor-based controllers, drives and controls for the automotive industry, a full range of weighing, printing, point-of-sale and computer equipment and systems for retailers, industrial platform scales, indicators and laboratory balances and computer-linked weighing systems, materials testing machines, electronic drum and container liquid filling systems for the petro-chemical industry, protective relays and telecontrol equipment for the railroad industry, electronic relays to protect power transformers, busbars and small generators; building management systems, meters, airbridges, lifting beams, card-operated electronic parking meters, automatic vehicle location systems, traction gears, marine gearboxes, steam and gas turbine generator units, relays and control panels, indigenous disturbance recorders, static distance pro-statis busbar protection equipment, and offset printing products.

Medical equipment includes computer tomography scanners, magnetic resonance imaging equipment, and mobile X-ray systems.

Power Generation equipment includes gas and steam turbine generators, remote handling equipment for active waste, digital control equipment, fishing boat and diesel engines.

In the areas of Electrical Equipment and Consumer Products, the Company manufactures transmission switchgear, including circuit breakers, current transformers, busbars and disconnectors; distribution and power transformers; submarine cables for power and telecommunications, ship wiring cables, cable accessories and a range of cross-linkable compounds for use in cable making and for other industrial applications; propulsion systems, locomotives, a variety of motors, boiler units, current-controlled industrial AC drives, and appliances.

The Company also engages in Distribution and Trading and Research and Development activities.

Divisions and Subsidiaries:

ELECTRONIC SYSTEMS AND COMPONENTS

SYSTEMS

GEC Avionics Ltd - The Marconi Company Ltd

Navigation Group
Dynamics Group
Sensors Group
Airborne Radar Group
GEC Avionics Inc., USA
Marconi Command and Control Systems Ltd.
Marconi Defence Systems Ltd.
Marconi Space Systems Ltd.
Marconi Underwater Systems Ltd.
Marconi Radar Systems Ltd.
Marconi Communication Systems Ltd.
Marconi Instruments Ltd.
Easams Ltd.
The Marconi International Marine Co. Ltd.
Canadian Marconi Company (51.6% Ordinary)
Marconi Italiana SpA, Italy
Cincinnati Electronics Corporation, USA
Yarrow Shipbuilders Ltd.
GEC Australia Ltd. (Electronics Group)
Adret

COMPONENTS

Marconi Electronic Devices Ltd.
Circuit Technology Inc., USA
English Electric Valve Co. Ltd.
EEV Inc., USA
EEV Canada Ltd.
Salford Electrical Instruments Ltd.
GEC Ceramics Ltd.

TELECOMMUNICATIONS AND BUSINESS SYSTEMS

GEC Plessey Telecommunications Holdings Ltd. (50%-owned)
A.B. Dick Company, USA
Videojet Systems International Inc.
Scriptomatic Inc., USA
IGX Corporation (ITEK Graphix)
Cheshire

AUTOMATION AND CONTROL

GEC Electrical Projects Ltd.
GEC Industrial Controls Ltd.
GEC Automation Projects Inc., USA
W. & T. Avery Ltd.
Avery-Denison Ltd.
Driver Southall Ltd.
Avery Australia Ltd
Avery New Zealand Ltd.
South African Scale Co. (Pty) Ltd.
Avery-Hardoll Ltd.
PM Services Ltd.
GEC Measurements Ltd.
GEC Meters Ltd.
Satchwell Control Systems Ltd.
GEC Mechanical Handling Ltd.
GEC Traffic Automation Ltd.
GEC Marine & Industrial Gears Ltd.
GEC Australia Ltd. (Automation, Projects and Construction Divisions)
The English Electric Company of India Ltd. (66.7% Ordinary)
(Relays and Control Panels Division)
GEC Composants SA France
GEC Software Ltd.

MEDICAL EQUIPMENT

Picker International Inc., USA
Picker International Ltd.

POWER GENERATION

GEC Turbine Generators Ltd.
GEC Energy Systems Ltd.
Ruston Gas Turbines, Ltd.
GEC Diesels Ltd.
Ruston Diesels Ltd.
Paxman Diesels Ltd.
Kelvin Diesels Ltd.
Napier Turbochargers Ltd.
Ruston Gas Turbines Inc., USA
GEC Diesels Inc., Canada
GEC Australia Ltd. (Diesels Division)

ELECTRICAL EQUIPMENT

Power Distribution Group
GEC Switchgear Ltd.
GEC Distribution Switchgear Ltd.
GEC Transmission and Distribution Project Ltd.
Vacuum Interrupters Ltd.
GEC Installation Equipment Ltd.
Vynckier NV, Belgium
GEC Transoformers Ltd.
The Micanite & Insulators Company Ltd.

The General Electric Company, p.l.c.

The General Electric Company of India Ltd. (66.7% Ordinary)
The English Electric Company of India Ltd. (66.7% Ordinary)
(Fusegear and Switchgear Division)
GEC Australia Ltd. (Heavy Engineering and Industrial Products Division)
Wire & Cables Group
AEI Cables Ltd.
Power Cables
Rubber and Plastic Cables
F.D. Sims Ltd.
Kent Electric Wire Ltd.
Rodco Ltd. (60% Ordinary)
Vactite Ltd.
GEC Traction Ltd.
GEC Transportation Projects Ltd.
GEC-General Signal Ltd. (50% Ordinary)
GEC Large Machines Ltd.
GEC Small Machines Ltd.
The Express Lift Co. Ltd.
Woods of Colchester Ltd.
GEC Engineering (Accrington) Ltd.
GEC Reinforced Plastics Ltd.
GEC Foundries Ltd.
A.G. Hackney & Co. Ltd.
L. H. Marthinusen (Pvt) Ltd., Zimbabwe
GEC (New Zealand) Ltd.
(Industrial Machines and Power Engineering Divisions)

CONSUMER PRODUCTS

Hotpoint Ltd.
GEC (Radio & Television) Ltd.
Redring Electric Ltd.
Canon Industries Ltd.
GEC-Xpelair Ltd.
OSRAM-GEC Ltd. (51% Ordinary)

Gilbarco Inc.
Manufactures and supplies fuel dispensing equipment and related products and services for the motor vehicle fuel retailing industry.

Lear Astronics Corp.
Designs, develops and manufactures advanced flight control systems and remotely piloted vehicles.

Developmental Sciences Corp.
Designs, develops and manufactures advanced flight control systems and remotely piloted vehicles.

UDI Group Ltd.
Manufactures sonar equipment and provides underwater television and communications, trenching, cable laying and survey services.

Registrar and Transfer Office:

The General Electric Company, p.l.c.
Coppenhall, Stafford ST18 9BN, England
(0785) 51446

Stock Exchange(s): London

Number of Employees:

1989	145,029	1987	159,579
1988	157,262	1986	164,536

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1989	£ 5,878,000	£ 522,400
1988	5,553,000	444,900
1987	5,247,000	435,000
1986	5,253,000	453,000
1985	5,222,000	415,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	2,668,344,414	19.6p
1988	2,667,780,968	16.7
1987	2,666,430,170	16.3
1986	2,669,018,702	17.0

£ - pound sterling
† Including extraordinary items.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Electronic systems	£ 2,033,000	£ 1,912,000
Power systems	1,496,000	1,277,000
Telecommunications	569,000	513,000
Consumer goods	630,000	567,000
Electronic metrology	391,000	241,000
Office equip. & printing	364,000	219,000
Medical equip.	418,000	367,000
Electronic components	275,000	256,000
Industrial apparatus	297,000	248,000
Distribution & trading	270,000	212,000
Other	63,000	103,000
Intra-group sales	359,000	362,000
Total	£ 6,447,000	£ 5,553,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	7.80p	—	—
1988	6.50	—	
1987	5.30	—	—
1986	4.30	—	—
1985	4.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	£ 2,986,900	111.9p
1988	2,715,000	101.8
1987	2,895,000	108.6
1986	2,614,000	97.9
1985	2,389,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Mar. 31	1989	1988
Net sales	£ 5,878,100	£ 5,552,500
Work capitalized	12,400	28,500
Other income	67,900	41,100
Total income	£ 5,958,400	£ 5,622,100
Decrease (incr.) in stocks	(13,500)	43,400
Cost of sales	2,177,500	2,002,900
Staff costs	1,901,100	1,846,300
Depreciation	222,800	219,500
Rent exp.	28,000	20,900
Auditors' exp.	4,100	3,800
Other charges	1,065,500	924,600
Share of profits of joint venture assoc. co.	(79,400)	—
Share of profits of assoc. cos.	(14,200)	(15,300)
Inc. from invest.	(11,900)	(3,900)
Share of interest of joint venture assoc. co.	6,400	—
Interest expense	20,200	19,900
Interest income	(144,900)	(148,000)
Income bef. taxes	£ 796,700	£ 708,000
Income taxes	278,100	247,100
Minority interests	8,400	10,100
Net Income	£ 510,200	£ 450,800
Extraord. items	12,200	(5,900)
Net Income & extraord. items	£ 522,400	£ 444,900

Assets
(000's)

As of Mar. 31	1989	1988
Cash	£ 937,300	£ 1,122,800
Investments	282,300	392,300
Accts. receiv., net	1,548,300	1,348,400
*Stocks	1,393,600	1,251,700
Current Assets	£ 4,161,500	£ 4,115,200
Investments	527,600	415,200
#Fixed assets	927,300	824,600
Total Assets	£ 5,616,400	£ 5,355,000

Liabilities
(000's)

	1989	1988
Debenture loans	£ 19,300	£ 3,200
Long-term debt, curr.	104,000	111,400
Payments received	386,200	367,500
Accts. payable	739,200	634,200
Other creditors	80,300	81,700
Amts. owed to assoc. cos.	18,300	26,900
Accruals & deferred inc.	224,600	210,600
Income taxes	188,500	283,800
Other taxes	100,000	109,200
Proposed dividend	150,900	125,400
Curr. Liabilities	£ 2,011,300	£ 1,953,900
Debenture loans	31,600	48,200
Long-term debt	29,900	20,300
Payment received	103,100	83,400
Trade creditors	—	4,300
Minority interest	91,300	81,000
Deferred income	37,200	36,600
Deferred inc. taxes	6,900	2,500
Other liabilities	318,200	409,600
+Common stock	133,500	133,400
Add. paid-in cpaital	16,700	12,300
Reserves	4,000	4,000
Profit & loss accts.	2,832,700	2,565,500
Total Liabilities & Shareholders' Equity	£ 5,616,400	£ 5,355,000

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 5p par value.

Statistical Summary

%Income bef. Taxes to Sales	13.55	12.75
%Net Income to Sales	8.89	8.12
%Net Income to Equity	17.49	16.60
Sales to Inventories	4.22	4.44
Debt to Equity	0.06	0.07
Working Capital	£2,150,200,000	£2,161,300,000
Current Ratio	2.07	2.11
Shareholders' Equity	£2,986,900,000	£2,715,200,000

General Instrument Corporation

Executive Offices:

767 Fifth Avenue
New York, New York 10153-0082
(212) 207-6200
FAX: (212) 207-6341

Administrative Offices:
125 Chubb Avenue
Lyndhurst, New Jersey 07071
(201) 507-3000

Officers: Frank G. Hickey, chairman and chief executive officer; George E. Safiol, president & chief operating officer; Anthony J. Aukstikalnis, v.p.; Christopher F. Sutphin, v.p.; Richard M. Hoffman, v.p., general counsel & secretary; Thomas C. DeFazio, v.p.-finance, chief financial officer & treasurer; Edward R. Kearney, v.p.-investor relations & communications; Stephen A. Davidson, v.p.-personnel & organization; Roger L. Heffernan, v.p.-manufacturing; Richard S. Friedland, v.p. & controller; Harold M. Krisbergh, v.p.; Matthew D. Miller, v.p.-technology; Richard C. Smith, v.p.; Lemuel A. Tarshis, v.p.; Eugene A. Weisberger, v.p..

Directors: Martin C. Barell*, John C. Archibald*, Thomas L. Kempner*, Richard S. Rosenbloom, Richard N. Rosett, Frank G. Hickey*, Joe B. Cordell*, Jacob E. Goldman, Frank M. Drendel, George E. Safiol, Harold Rapaport.

* Member of the Executive Committee

Areas of Work: The Company's major business segments are Broadband Communications, Data Systems and Component Products. Broadband Communiations offers a variety of products and services for the cable television industry, including active and passive electronics, subscriber terminals, coaxial cable used in CATV systems, encryption/decryption equipment for the scrambling and descrambling of satellite television programming, and other broadband communications products. The primary products and services of Data Systems are military electronics systems and data processing systems and services for the wagering industry. Component Products include power supplies and discrete semiconductors.

Divisions and Subsidiaries:

Component Products

Computer Products Division
Juarez, Mexico (Headquarters)
El Paso, Texas

Power Semiconductor Division
Hicksville, New York (Headquarters)
Taipei, Taiwan

Broadband Communications

Jerrold Distribution Systems Division
Hatboro, Pennsylvania (Headquarters)
Nogales, Mexico; Tuscon, Arizona
Slough, England
Toronto, Ontario, Canada

Jerrold Subscriber Systems Division
Hatboro, Pennsylvania (Headquarters)
Taipei, Taiwan
Dallas, Texas
Matamoros, Mexico

Comm/Scope Division
Hickory, North Carolina (Headquarters)
Catawba, North Carolina

VideoCipher Division
San Diego, California (Headquarters)
Hickory, North Carolina
Barceloneta, Puerto Rico

Data Systems

Worldwide Wagering
Hunt Valley, Maryland (Headquarters)

AmTote Division
Hunt Valley, Maryland

Lottery Division
Hunt Valley, Maryland

Defense Systems Group

Government Systems Division
Hicksville, New York (Headquarters)
Norfolk, Virginia

Undersea Systems
Westwood, Massachusetts

Northern Scientific Laboratory
Livingston, New Jersey

Dalmo Victor
(formerly a division of The Singer Company)
Belmont, California
Grants Pass, Oregon

Designs, develops, manufactures and markets radar threat warning systems and other surveillance systems.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: GRL

Number of Employees:

1990	14,200	1988	15,400
1989	15,900	1987	16,300

Plant Footage:

1990	1,950,200 sq. ft.	1988	2,508,800
1989	2,100,000	1987	2,828,500

Sales & Earnings

	Revenues † (000's)	Net Income (000's)
1990	$ 1,377,344	$ 98,690
1989	1,304,733	85,547
1988	1,155,460	66,220
1987	787,862	(80,377)
1986	612,400	(66,543)

	No. of Com. Shares #	Earn. per Share #
1990	30,155,000	$ 2.93
1989	33,567,000	2.55
1988	32,886,000	2.01
1987	32,255,000	—
1986	32,105,000	—

(Loss)
† Of continuing operations only.
# Based on the weighted average number of common shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Broadband comm.	$ 817,038	$ 783,913
Data systems	318,244	220,959
Component products	242,062	299,861
Total	$ 1,377,344	$ 1,304,733

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.50	—	—
1989	0.44	—	
1988	0.25	—	—
1987	0.25	—	—
1986	0.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 484,991,000	$ 17.58
1989	631,976,000	18.63
1988	550,992,000	16.45
1987	467,522,000	14.35
1986	550,387,999	16.96

Income Account *

Year ended Feb. 28	1990	1989
Revenues	$ 1,377,344,000	$ 1,304,733,000
Cost of revenues	1,006,311,000	958,881,000
Expenses	218,322,000	219,564,000
Invest. income	(22,157,000)	(19,582,000)
Interest expense	21,848,000	15,687,000
Other expense (income)	1,593,000	(6,764,000)
Inc. bef. taxes	$ 151,427,000	$ 136,947,000
Income taxes	53,200,000	51,400,000
Minority interest	9,825,000	—
Inc.-cont. oper.	$ 88,402,000	$ 85,547,000
Inc.-discont. oper.	10,288,000	—
Net Income	$ 98,690,000	$ 85,547,000

* Included in Costs and Expenses, Depreciation and Amortization: $91,336,000 in 1989 and $83,401,000 in 1988.

Assets

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 180,858,000	$ 277,724,000
Accts. receiv., net	234,764,000	221,691,000
*Inventories	93,348,000	105,992,000
Deferred inc. taxes	11,281,000	16,985,000
Prepaid expenses	8,922,000	10,886,000
Current Assets	$ 529,173,000	$ 633,278,000
#Fixed assets	249,964,000	251,323,000
Intangibles	218,179,000	232,974,000
Cost in exc. of assets acq.	144,969,000	143,827,000
Other assets	31,698,000	31,745,000
Assets held for sale	—	16,216,000
Total Assets	$ 1,173,983,000	$ 1,309,363,000

Liabilities

Accts. payable	$ 134,836,000	$ 123,523,000
Long-term debt, curr.	10,000,000	10,000,000
Accruals	185,547,000	190,085,000
Income taxes	2,564,000	2,830,000
Curr. Liabilities	$ 332,947,000	$ 326,438,000
Long-term debt	230,300,000	232,500,000
Deferred income taxes	43,273,000	38,773,000
Other liabilities	82,472,000	79,676,000
+Common stock	27,582,000	33,914,000
Add. paid-in capital	110,288,000	239,464,000
Cum. trans. adjust.	(230,000)	1,336,000
Emp. notes for stock purch.	(1,430,000)	(1,509,000)
Retained earnings	348,781,000	358,771,000
Total Liabilities & Shareholders' Equity	$ 1,173,983,000	$ 1,309,363,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	10.50
%Net Income to Revenues	—	6.56
%Net Income to Equity	20.35	13.54
Debt to Equity	0.50	0.38
Working Capital	$ 196,226,000	$ 306,840,000
Current Ratio	1.59	1.94
Shareholders' Equity	$ 484,991,000	$ 631,976,000

General Kinetics Incorporated

12300 Parklawn Drive
Rockville, Maryland 20852-1775
(301) 881-2044

Officers: Thomas L. Herb, chairman; Louis R. Schap, president & chief exec. officer; Stanley J. Sarnowski, sr. v.p.-finance, treasurer & secretary; Richard A. Thompson, chief operating officer; Hubert W. Brous, v.p.-marketing & sales; Connie M. Neagle, asst. secretary.

Directors: Thomas L. Herb, chairman; Stanley J. Sarnowski, Louis R. Schap, John B. Gunter, Thomas L. Herb, S. Goran Stackig, Steven A. Rogers, John B. Gunter, David A. Shaw.

Areas of Work: Manufactures, sells and rents magnetic tape equipment; engaged in the development of secure communications equipment and encryption devices; also manufactures electronic enclosures, sheet metal components, and food testing and processing systems.

General Kinetics Incorporated

Divisions:

GKI Media Division
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Provides equipment and service for testing, winding, degaussing and certifying magnetic tape (including high-density tape) and other magnetic media.

Allo Metal Products Division
110 Sunray Drive
Johnstown, Pennsylvania 15905
(814) 255-6891

11205 Satellite Boulevard
Orlando, Florida 32821
(407) 859-2040

Designs, manufactures, and sells specialty metal products such as environmental enclosures and rack mounting systems for the installation of communications electronics.

Subsidiaries:

Food Technology Corporation
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Manufactures testing, quality-control and automated processing equipment for the food and related industries.

Cryptek, Inc.
480 Spring Park Place
Suite 1000
Herndon, Virginia 22070
(703) 478-9444

Engaged in developing secure communications equipment and encryption devices for the TEMPEST marketplace.

Transfer Agent(s):

Security Trust
B&O Building, 4th floor
Baltimore & Charles Streets
Baltimore, Maryland 21202

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GKIE (NASDAQ)

Number of Employees:

1989	240	1986	202
1988	200	1985	201
1987	200		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 11,178,313	$ (1,476,990)
1988	7,034,839	(855,576)
1987	10,430,235	564,278
1986	10,402,570	520,275
1985	10,030,744	955,228

	No. of Com Shares	Earn. per Share ‡ ≠
1989	843,927	$ —
1988	904,927	—
1987	911,927	0.62
1986	930,427	0.57
1985	869,427	1.13

(Loss)

‡ Including extraordinary gain of $155,099 ($0.18 per share) in 1985.

≠ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Media services	$ 392,182	$ 987,948
Metal products	8,477,298	5,554,544
Food technology	1,305,804	492,347
SCE tech. & devices	1,078,698	—
Adjustments	(75,669)	—
Total	$ 11,178,313	$ 7,034,839

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 967,710	$ 1.15
1988	2,497,887	2.76
1987	3,362,119	3.69
1986	2,868,441	3.08
1985	2,322,304	2.67

Income Account *

Year ended May 31	1989	1988
Net sales	$ 11,178,313	$ 7,034,839
Cost of sales	9,027,862	5,548,516
Expenses	3,829,640	2,849,611
Interest expense	301,852	115,041
Greenmail expense	87,500	—
Other expense	62,317	82,361
Loss bef. taxes	$ (2,130,858)	$ (1,560,690)
Tax credit	(653,868)	(705,114)
Net Loss	$ (1,476,990)	$ (855,576)

* Included in Costs and Expenses, Depreciation and Amortization $293,181 in 1989 and $276,361 in 1988.

Assets

As of May 31	1989	1988
Cash	$ 305,758	$ 108,329
Accts. receiv., trade	1,744,903	998,626
*Inventories	1,746,673	1,745,947
Refund inc. taxes	653,868	705,114
Prepaid expenses & other receiv.	16,596	70,097
Current Assets	$ 4,467,798	$ 3,628,313
≠ Fixed assets	1,737,818	1,737,270
Other assets	191,981	152,450
Total Assets	$ 6,397,597	$ 5,518,033

Liabilities

	1989	1988
Demand notes pay	$ 2,210,680	$ 700,000
Long-term debt, curr	129,978	198,733
Accts. payable	1,061,508	431,736
Accrued payroll	156,132	159,620
Accrued vacations	240,640	205,811
Other accruals	470,124	170,746
Curr. Liabilities	$ 4,269,062	$ 1,866,646
Long-term debt	682,327	797,771
Accrued vacations	178,936	164,415
Other liab.	199,562	191,314
Redeem. common stock	100,000	—
+Common stock	275,436	275,436
Add. paid-in capital	1,221,767	1,201,767
Retained earnings (deficit)	(178,904)	1,310,586
Treasury stock	(350,589)	(289,902)
Total Liabilities & Shareholders' Equity	$ 6,397,597	$ 5,518,033

* At lower of cost (FIFO) or market.

≠ Less accumulated depreciation and amortization.

+ $0.25 par value.

Statistical Summary

	1989	1988
Sales to Inventories	6.40	4.03
Debt to Equity	0.84	0.68
Working Capital	$ 198,736	$ 1,761,667
Current Ratio	1.05	1.94
Shareholders' Equity	$ 967,710	$ 2,497,887

General Microwave Corporation

5500 New Horizons Boulevard
Amityville, New York 11701
(516) 226-8900
FAX: (516) 226-8966

Officers: Frederick Zissu, chairman of the board; Sherman A. Rinkel, president; Bernard Grand, v.p.-engineering; Howard Cohen, v.p.-manufacturing; Moe Wind, sr. v.p., treasurer & asst. secretary; Michael Stolzar, secretary & asst. treasurer; Yonah Adelman, v.p. & gen. mgr.-General Microwave Israel (1987) Ltd.; Michael Lioz, pres.-General Microcircuits Corporation.

Directors: Frederick Zissu, chairman; Winton Charlop, Sherman A. Rinkel, Moe Wind, Leo C. Cunniff, Arthur D. Friedman, Stanley Simon.

Areas of Work: The Company designs, manufactures, and sells microwave measuring and control component devices for use in radar systems and in point-to-point communication as used in aircraft, air traffic control, missiles and telephone and telemetry systems, as well as its own line of precision measuring and testing equipment for use in laboratories and production lines by manufacturers of microwave components and systems.

Division:

Microwave Division
Amityville, New York

Develops and manufactures PIN diode products, RF power measuring equipment, and radiation detectors.

Subsidiaries:

Micro-El Patent Corporation
Wilmington, Delaware

General Microwave Foreign Sales Corporation
Amityville, New York

General Microwave Israel Corporation
Jerusalem, Israel

General Microcircuits Corp. (80% owned)
Billerica, Massachusetts

Development and manufacture of high reliability hybrid circuits and thin-film resistor networks, largely for military applications.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: GMW

Number of Employees:

1989	275	1986	N.A.
1988	304	1985	270
1987	351		

N.A. - Not Available.

Plant Footage:

1989	80,000 sq. ft.	1988	80,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 21,005,875	$ 504,010
1989	18,784,362	(560,756)
1988	20,769,012	888,648
1987	20,496,612	817,593
1986	16,003,097	1,414,757

	No. of Com. Shares ‡	Earn. per Share ‡
1990	1,403,539	$ 0.36
1989	1,399,457	—
1988	1,444,645	0.62
1987	1,485,989	0.55
1986	1,474,980	0.96

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1990	1989
Microwave components	$ 13,059,273	$ 13,050,327
Power measuring instruments	5,107,686	4,165,434
Other	2,838,916	1,568,601
Total	$ 21,005,875	$ 18,784,362

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	
1988	—	—	—
1987	0.10	—	—
1986	0.10	5% & 5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 14,065,602	$ 10.02
1989	13,673,438	9.77
1988	14,359,940	9.94
1987	14,175,974	9.54
1986	13,453,393	9.12

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Feb. 28	1990	1989
Net sales	$ 21,005,875	$ 18,784,362
Cost of sales	13,616,069	12,916,360
Expenses	6,132,762	6,055,767
Interest expense	729,810	585,548
Dividend income	(270,201)	(200,450)
Other expense	69,425	88,433
Inc. (loss) bef. taxes	$ 728,010	$ (661,296)
Income taxes (credit)	224,000	(100,540)
Net Income (Loss)	$ 504,010	$ (560,756)

* Included in Costs and Expenses, Depreciation and Amortization: $1,299,866 in 1990 and $1,262,503 in 1989.

Assets

As of Feb. 28	1990	1989
Cash and cash equivalent	$ 521,896	$ 196,591
Accts. receiv., net	4,834,909	5,741,781
*Inventories	6,671,086	6,675,290
Prepaid expenses	535,332	332,585
Refund. inc. taxes	—	227,570
Current Assets	$ 12,563,223	$ 13,173,817
Investments	2,716,614	2,635,229
#Fixed assets	8,256,217	9,311,280
Debt issu. costs	200,834	221,702
Deferred costs	137,633	260,509
Deferred inc. tax benefit	113,437	150,821
Intangibles	43,825	55,754
Other assets	19,658	43,354
Total Assets	$ 24,051,441	$ 25,852,466

Liabilities

Short-term borrowings	$ 9,726	$ 1,325,984
Long-term debt, curr.	400,000	300,000
Accts. payable	557,636	1,387,934
Accruals	1,092,974	1,044,407
Income taxes payable	104,713	—
Curr. Liabilities	$ 2,165,049	$ 4,058,325
Long-term debt	6,900,000	7,300,000
Deferred inc. taxes	920,790	820,703
+Common stock	15,967	15,864
Add. paid-in capital	9,112,259	9,054,541
Retained earnings	6,231,236	5,727,226
Unrealized loss in eq. secur.	(363,564)	(207,697)
Treasury stock	(930,296)	(916,496)
Total Liabilities & Shareholders' Equity	$ 24,051,441	$ 25,852,466

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.47	—
%Net Income to Sales	2.40	—
%Net Income to Equity	3.58	—
Sales to Inventories	3.15	2.81
Debt to Equity	0.52	0.65
Working Capital	$ 10,398,174	$ 9,115,492
Current Ratio	5.80	3.25
Shareholders' Equity	$ 14,065,602	$ 13,673,438

General Motors Corporation

3044 West Grand Boulevard
Detroit, Michigan 48202
(313) 556-5000
FAX: (313) 556-5108

General Motors Building
767 Fifth Avenue
New York, New York 1015
(212) 486-5000

Officers: Roger B. Smith, chairman & chief executive officer; Robert C. Stempel, president & chief operating officer; Lloyd E. Reuss, exec. v.p.-North American automotive operations; Robert T. O'Connell, exec. v.p.-Finance Group, GMAC & chief financial officer; F. Alan Smith, exec. v.p.-operating & public affairs staff groups; James B. Fitzpatrick, v.p. & Marketing & product planning staff; Robert J. Schultz, exec. v.p.-EDS, GM Hughes Electronics & Technical Staffs Groups; William E. Hoglund, exec. v.p.-Automotive Components, Power Products and Defense Groups; John F. Smith, Jr., exec. v.p.-international operations; Charles Katko, v.p.-Operating Staffs Group; E. Michael Mutchler, v.p.-Chevrolet, Pontiac, GM of Canada Group, W. Blair Thompson, v.p.-Automotive Components Groups, J. C. Perkins, v.p.-Chevrolet Motors Division; Marina v.N. Whitman, v.p.-Public Affairs Staffs Group; Betsy Ancker-Johnson, v.p.-environmental activities staff; Thomas S. McDaniel, v.p.-Asian & Pacific Operations; Robert J. Eaton, pres.-General Motors Europe; W. Gordon Binns, Jr., v.p. & chief investment funds officer; David D. Campbell, v.p. & group dir.-operations, Chevrolet, Pontiac, GM of Canada Group; F. Blake Wallace, v.p.-allison gas turbine div.; Patrick J. Coletta, v.p. & group dir.-truck & bus operations; Gary W. Dickinson, v.p.-technical staff groups; George C. Eads, v.p.-economics staff & chief economist, Robert A. Frosch, v.p.-research laboratories; John O. Grettenberger, v.p. & gen. mgr.-Cadillac Motor Car Division; Ronald H. Haas, v.p.-current engineering and manufacturing services staff; Donald E. Hackworth, v.p. & product mgr.-Lansing Automotive Division; James D. Johnston, v.p.-industry-government relations; Charles M. Jordan, v.p.-design staff; William W. Lane, v.p. & gen. mgr.-Oldsmobile Division; J.T. Battenberg, III, v.p.-Buick, Oldsmobile, Cadillac Group, Richard G. LeFauve, v.p. & president-Saturn Corporation, J. Michael Losh, v.p. & gen. mgr.-Pontiac Motor Division, John W. McNulty, v.p.-public relations staff, Edward H. Mertz, v.p. & gen. mgr.-Buick Motor Division, John G. Middlebrook, v.p.-marketing and product planning staff; Claude N. Moore, v.p.-customer sales and service staff; Arvin F. Mueller, v.p. & group dir.-engineering, Chevrolet, Pontiac, GM of Canada Group; Donald A. Pais, v.p.-materials management staff; George A. Peapples, president & gen. mgr.-General Motors of Canada Ltd.; Harry J. Pearce, v.p. & general counsel; Edward P. Czapor, v.p.-quality and reliability; Lewis B. Campbell, v.p. & mgr.-Flint Automotive Division; Robert B. Stone, v.p.-Latin American operations & managing dir.-General Motors do Brasil; John W. Jarrell, v.p. & gen. mgr.-Electro-Motive Division; Clifford J. Vaughan, v.p.-Truck & Bus Group; Alfred S. Warren, Jr., v.p.-industrial relations staff; Richard F. O'Brien, v.p.-personnel administration & development staff; John E. Rhame, v.p.-international export, African, and Mideast operations; Paul H. Zalecki, v.p., office of the general counsel & secretary; Donald L. Runkle, v.p.-advanced engineering staff; Shirley Young, v.p.-consumer market development; Leon J. Krain, treasurer; Charles E. Golden, treasurer; John E. Mischi, comptroller.

Directors: Roger B. Smith, chairman; James H. Evans, Charles T. Fisher, III, Roger B. Smith, Marvin L. Goldberger, John J. Horan, Lloyd E. Reuss, John G. Smale, J. Willard Marriott, Jr., F. Alan Smith, Ann D. McLaughlin, Robert C. Stempel, Leon H. Sullivan, Edmund T. Pratt, Jr., Dennis Weatherstone, Thomas H. Wyman, Thomas E. Everhart, George P. Shultz.

Areas of Work: Operations are classified into three segments: automotive products, defense products, and other nonautomotive products. The automotive segment consists of the design, manufacture, assembly and sale of automobiles, trucks and related parts and accessories. The defense products segment includes military vehicles, radar and weapon control systems, guided missile systems, and defense satellites. The other nonautomotive products segment consists of the design, installation and operation of business information and telecommunication systems, as well as the design, development and manufacture of locomotives; engines for drilling, marine and stationary applications; commercial satellites; and specialized automated production and test equipment.

Electronic and Related Divisions:

AC Spark Plug
Flint, Michigan
Spark plugs; oil filters; instrument penels; fuel pumps; fuel filters; air cleaners; emission control systems; cruise control systems.

Delco Electronics
Kokomo, Indiana
Automotive electronics; entertainment systems; heater-air conditioning controls; military electronics; semiconductor devices; analog and digital systems; integrated circuits.

Delco Systems Operations
Santa Barbara, California
Military electronics; navigation and control systems and components for aircraft, defense, spacecraft, and commercial vehicles

Delco Moraine
Dayton, Ohio
Automotive brake systems; engine bearings; powdered metal products; automatic transmission components.

Harrison Radiator
Lockport, New York
Car and truck radiators, defrosters, heaters, thermostats and air-conditioners; heat exchangers.

Packard Electric
Warren, Ohio
Automotive, appliance, marine and farm equipment, wiring systems and components; fiber optics; magnetic wire.

Delco Products
Dayton, Ohio
Shock absorbers, windshield wiper systems; energy-actuators; bumper devices; automotive electric motors and actuators; fan clutches; emission control devices; industrial and hermetic motors and generators.

Delco Remy
Anderson, Indiana
Starting, generating and ignition systems switches; vacuum controls, batteries for passenger cars, trucks, buses, farm tractors and off-highway equipment.

Electronic Data Systems Corporation
Development of computer software that controls automated manufacturing systems; integration and updating of information management and telecommunication systems; military personnel identification and tracking systems.

Fisher Guide
Anderson, Indiana
Car, truck and tractor lamps; mirrors, finished die castings; molded plastic parts; lighting controls; stampings.

Rochester Products
Rochester, New York
Carburetors; steel tubing; cigarette lighters; locks, keys; emission control devices; diverter valves; fuel injectors; hydraulic and mechanical valve lifters; jet fuel nozzles; cold formed precision parts.

G.M. Hughes Electronics Corporation
Provides a broad array of advanced electronic components and systems to the automotive, military and space industries. Some of these are weapons control systems, radar systems, commercial and military communications satellites, automated manufacturing and test equipment, weapon delivery systems, large-scale integrated circuits, image sensing, storage and display devices.

Stock Transfer Offices:

First Chicago Trust Company of New York
P.O. Box 3983
Church Street Station
New York, New York 10008-3983

National Trust Company Limited
21 King Street, East
Toronto, Ontario M5C 1B3, Canada

National Trust Company Limited
1350 Sherbrooke Street, West
Montreal, Quebec H3G 1J1, Canada

Stock Exchange(s): New York, Boston, Cincinnati, Midwest, Philadelphia, Pacific, Montreal, Toronto, Tokyo

Ticker Symbol: GM

Number of Employees:

1989	775,000
1988	766,000
1987	813,000
1986	876,000
1985**	811,000

** Figure excludes G. M. Hughes Electronics Corporation.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 112,533,200	$ 4,224,300
1988	110,228,500	4,856,300
1987	101,781,900	3,550,900
1986	102,813,700	2,944,700
1985	96,371,700	3,999,000

	No. of Com. Shares ‡ +	Earn. per Shares ‡ +
1989	604,300,000	$ 6.33
1988	615,700,000	7.17
1987	631,500,000	5.03
1986	635,300,000	4.11
1985	632,600,000	6.14

+ Based on the $1 2/3 par value common stock.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 3.00	—	—
1988	2.50	—	
1987	2.50	—	—
1986	2.50	—	—
1985	2.50	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1989	$ 34,746,100	$ 57.50
1988	35,435,300	57.55
1987	32,988,700	52.24
1986	30,443,600	47.92
1985	29,274,000	46.28

‡ After allowing for preferred stock at stated value.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 112,533,200	$ 110,228,500
Cost of sales	94,913,900	93,486,700
Expenses	7,240,000	6,655,300
Depreciation & amortization	5,593,100	5,495,600
Interest expense	2,228,400	1,537,300
Other income	(2,331,200)	(1,847,400)
Income bef. taxes	$ 4,889,000	$ 4,901,000
Income taxes	1,733,200	1,492,500
Minority interest	(1,068,500)	(1,223,600)
Cum. effect of acct. change	—	(224,200)
Net Income	$ 4,224,300	$ 4,856,300

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 4,999,800	$ 5,578,700
Marketable securities	2,070,900	1,258,000
Accts. & notes receiv., net	21,796,200	21,079,600
*Inventories	7,991,700	7,984,300
Contracts in process	2,073,300	2,035,400
Prepaid expenses	2,374,400	2,475,800
Current Assets	$ 41,306,300	$ 40,411,800
Eq. in assets of nonconsol. subsid.	9,000,100	8,331,800
Other invest. & assets	5,761,800	5,636,000
#Fixed assets	33,895,200	31,832,400
Intangibles	6,801,700	5,013,100
Total Assets	$ 96,765,100	$ 91,225,100

Liabilities
(000's)

Accounts payable	$ 7,659,200	$ 7,750,200
Loans payable	2,301,700	1,930,900
Inc. taxes payable	706,400	157,400
Accruals & def. inc. taxes	13,409,200	12,844,400
Curr. Liabilities	$ 24,076,500	$ 22,682,900
Long-term debt	4,254,700	4,243,100
Payable to GMAC	14,460,500	14,840,000
Capitalized leases	311,000	292,600
Other liabilities	15,584,300	11,795,600
Deferred credits	1,443,600	1,699,200
Redeem. common stock	1,650,000	—
+Preferred stock	234,400	234,400
+++Preference stock	2,000	2,000
++Common stock	1,009,500	510,700
+++Class E Common stock	4,900	5,100
+++Class H Common stock	3,500	12,800
Add. paid-in capital	2,614,000	6,235,200
Retained earnings	31,230,700	28,970,500
For. curr. trans.	(116,500)	(299,000)
Total Liabilities & Shareholders' Equity	$ 96,765,100	$ 91,225,100

* At cost, which is not in excess of market. Domestic inventories at LIFO; foreign and GMHE at FIFO or average.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ No par value, $100 stated value.
++ $1 2/3 par value.
+++ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	4.34	4.45
Net Income to Sales	3.75	4.41
%Net Income to Equity	12.08	13.61
Debt to Equity	0.20	0.18
Working Capital (000's)	$ 17,229,800	$ 17,728,900
Current Ratio	1.72	1.78
Shareholders' Equity (000's)	$ 34,982,500	$ 35,671,700

General Signal Corporation

High Ridge Park
Box 10010
Stamford, Connecticut 06904
(203) 357-8800
FAX: (203) 322-2366

Officers: Edmund M. Carpenter, chairman & chief executive officer; John E. Halter, sr. vice president-operations; Stephen W. Nagy, sr. v.p.-finance & chief financial officer; Joel S. Friedman, sr. v.p.-operations; Peter A. Laing, sr. v.p.-operations; Edgar J. Smith, Jr., v.p., secretary & general counsel; J. Robert Hipps, v.p. & controller; Michael R. Jacqmin, v.p. & treasurer; Erwin Kantor, v.p.-taxes; Paul Gibian, v.p.-rail & transit operations; George Falconer, v.p.-human resources; Nino J. Fernandez, v.p.-investor relations.

Directors: Edmund M. Carpenter*, chairman; Nathan R. Owen*, John P. Horgan*, Reginald H. Jones*, Ralph E. Bailey, N. Bruce Hannay, Robert A. Plane, Ronald E. Ferguson, John R. Selby, Roland W. Schmitt.

* Member of the Executive Committee

Electronic Controls & Systems
Products include equipment for each major segment of semiconductor manufacture, from crystal-growing furnaces, and wafer polishers, through deposition and spin-brake equipment, wafer steppers, washer and dicing systems, to testing and packaging equipment. For the telecommunications industry, products include voice, data, digital microwave radio, and fiber optic signal processing and transmission equipment, test and measurement systems, central office power sources, and land-based mobile radio systems. For the process industries, products include centrifugal and wastewater pumps, high vacuum pumps, industrial valves, computer-directed central control systems, distributed control systems, electronic instrumentation, and electronically controlled feeders and scales. Products for electric utilities include management systems, coal metering equipment, boiler and scrubber controls, and remote-controlled radioactive-waste handling systems. For railroad systems, products include highly engineered systems and controls, including cab, wayside and centralized traffic control components and systems and push-button interlocking controls. For bus mass transit, products include central

control systems and electronic fareboxes. For civil and defense air traffic control and nagivation, included are radar nagivation, identification and ground weather monitoring systems. Shipboard communication systems and propulsion controls are provided to the marine industry; power conditioning equipment is produced for numerous markets to safeguard vital or sensitive electronic equipment.

Electrical Controls & Equipment

Products for the construction market include such electrical controls and components for power distribution as transformer and switchgear, fire protection and building signaling systems, electric metering equipment, and automatic time recording and parking lot control systems. For the cogeneration and refining fields, self-contained unitized powerhouses are manufactured. Hazardous-location power distribution equipment is produced for the petroleum industry, and heat processing equipment is manufactured for the primary and fabricated metals and electronics industries.

Fluid Controls & Equipment

Products include specialty, telemetry, and supervisory control systems, valves and actuators, mechanical mixers, and aerators; centrifugal, turbine, high-vacuum, and wastewater pumps; instruments for measuring pressure, flow, and temperature; biological and waste-treatment systems; specialty air pollution control equipment; and corrosion control materials manufactured for the chemical, petrochemical, petroleum, food and beverage, primary and fabricated metals, pulp and paper, industrial and municipal water and waste-water processing, agriculture and construction indusries. For the railroad industry, pneumatic and hydraulic braking systems and related controls are manufactured. Such control products as hydraulic gear pumps and directional control valves, piston pumps and motors, hydrostatic transmissions, advanced fluid power systems, and cold-forged components for vehicular steering and suspension are manufactured for the heavy-duty mobile construction, aerospace and defense, mining, materials-handling, agricultural, auto and truck markets.

Divisions and Subsidiaries:

Axel Electronics
Jamaica, New York

General Railway Signal
Rochester, New York

Henschel
Newburyport, Massachusetts

Edwards
Farmington, Connecticut

O-Z/Gedney
Terryville, Connecticut

Kinney Vacuum Company
Canton, Massachusetts

DeZurik
Sartell, Minnesota

Mixing Equipment Company
Rochester, New York

Metal Forge
Columbus, Ohio

GS Electric
Carlisle, Pennsylvania

New York Air Brake
Watertown, New York

Kayex
Rochester, New York

Stock Equipment Company
Chagrin Falls, Ohio

Advanced Mechanization, Inc.
Horsham, Pennsylvania

General Signal Thinfilm Company
Fremont, California

Leeds & Northrup Instruments
Leeds & Northrup International
Leeds & Northrup Systems
all at:
North Wales, Pennsylvania

Semiconductor Systems, Inc.
Fremont, California

Telecommunications Technology, Inc.
Milpitas, California

Aurora Pump
North Aurora, Illinois

Hevi-Duty Electric
Goldsboro, North Carolina

Lindberg
Blue Island, Illinois

Sola Electric
Elk Grove Village, Illinois

Xynetics
Santa Clara, California

Tau-tron
Westford, Massachusetts

Ultratech Stepper
Santa Clara, California

Dielectric Communications
Raymond, Maine

Drytek
Wilmington, Massachusetts

Telenex
Mt. Laurel, New Jersey

GCA Corporation

Designs, manufactures and markets highly automated capital equipment to integrated circuit manufacturers, and manufactures and markets related precision optical systems and lenses.

Turbo-Mueller
West Germany
Manufactures mixing equipment.

Hydromatic Pumps
Manufactures pumps and pump accessories.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10286

Stock Exchange(s): New York, Pacific

Ticker Symbol: GSX

Number of Employees:

1989	19,377	1986	20,180
1988	19,082	1985	22,312
1987	19,126		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 1,918,275	$ 78,451
1988	1,760,209	25,198
1987	1,603,026	69,378
1986	1,583,368	74,622
1985	1,800,878	49,267

	No. of Com. Shares #	Earn. per Share #
1989	19,056,000	$ 4.12
1988	27,709,000	0.91
1987	28,239,000	2.46
1986	28,730,000	2.60
1985	28,706,000	1.72

Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Process controls	$ 726,515	$ 637,251
Technology industries	453,294	416,693
Electrical controls	421,384	383,775
Transportation controls	288,974	259,960
Dispositions	28,108	62,530
Total	$ 1,918,275	$ 1,760,209

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.80	—	—
1988	1.80	—	
1987	1.80	—	—
1986	1.80	—	—
1985	1.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 506,109,000	$ 26.50
1988	461,046,000	24.19
1987	907,151,000	33.02
1986	927,354,000	32.33
1985	903,989,000	31.47

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,918,275	$ 1,760,209
Cost of sales	1,378,042	1,266,701
Expenses	403,583	418,569
Write-off of intangibles	—	58,149
Interest income	(6,290)	(14,272)
Interest expense	45,145	12,354
Net gain on dispos.	(8,679)	(34,067)
Income before taxes	$ 106,474	$ 52,775
Income taxes	28,023	27,577
Net Income	$ 78,451	$ 25,198

* Included in Costs and Expenses, Depreciation and Amortization: $63,100,000 in 1989 and $61,791,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 22,930	$ 81,352
Short-term invest.	1,459	27,162
Accts. receiv., net	348,189	360,574
Contracts in progress	36,265	38,260
*Inventories	324,329	372,823
Prepaid expenses	22,892	11,799
Deferred inc. taxes	17,923	—
Current Assets	$ 773,987	$ 891,970
#Fixed assets	325,060	312,463
Intangibles	166,665	131,267
Other assets	58,629	60,900
Total Assets	$ 1,324,341	$ 1,396,600

Liabilities
(000's)

Short-term borrowings & long-term debt, curr.	$ 9,630	$ 11,564
Accts. payable	146,150	133,778
Accruals	203,426	173,961
Income taxes	85,956	76,321
Curr. Liabilities	$ 445,162	$ 395,624

Long-term debt	331,164	491,739
Other liabilities	9,318	12,294
Deferred income taxes	32,588	35,897
+Common stock	41,971	41,842
Add. paid-in capital	301,720	295,916
Retained earnings	749,357	705,226
Foreign currency translation adj.	(1,791)	(2,062)
Treasury stock	(585,148)	(579,876)
Total Liabilities & Shareholders' Equity	$ 1,324,341	$ 1,396,600

* At lower of cost or market. Certain domestic inventories at LIFO; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.55	3.00
%Net Income to Sale	4.09	1.43
%Net Income to Equity	15.50	5.47
Sales to Inventories	5.91	4.72
Debt to Equity	0.67	1.09
Working Capital	$ 328,825,000	$ 496,346,000
Current Ratio	1.74	2.25
Shareholders' Equity	$ 506,109,000	$ 461,046,000

Genicom Corporation

Genicom Drive
Waynesboro, Virginia 22980
(703) 949-1000
FAX: (703) 949-1392

Officers: Don E. Ackerman, chairman; John V. Harker, exec. v.p.; Frederick C. Young, v.p. & chief financial officer; Charles A. Ford, v.p. & gen. mgr.-Relay Products Division; Raymond D. Stapleton, v.p. & gen. mgr.-Field Service Division; Robert C. Easton, v.p.-printer manufacturing; Mark E. Reed, v.p.-domestic sales; Carl D. Grotheer, v.p.-product & market development.

Directors: Don E. Ackerman, chairman; Curtis W. Powell, Bruce K. Anderson, John V. Harker, Kenneth E. Hendrickson.

Areas of Work: Designs, manufactures and markets a wide range of medium to high performance computer printers for general business applications. Also produces hermetically sealed electromechanical relays used in aerospace, defense, automatic test equipment and other applications which require high product quality and reliability.

Divisions:

Printer Products Division
Relay Products Division
Field Service Division
International Division

Subsidiaries:

Datacom de Mexico, S.A. de C.V.
Reynosa, Mexico

Genicom International Ltd.
Farnborough, England

Genicom Canada, Inc.
Toronto, Canada

Genicom Ltd.
Farnborough, England

Genicom S.A.
Velizy, France

Genicom S.p.A.
Milan, Italy

Genicom GmbH
Eschborn, West Germany

Genicom (Australia) Pty. Ltd.
Chatswood, Australia

Transfer Agent(s):

Sovran Bank, N.A.
600 East Main Street
17th Floor
Richmond, Virginia 23219

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GECM (NASDAQ)

Number of Employees:

1989	3,375	1987	3,587
1988	3,692	1986	2,507

Plant Footage:

1989	992,000 sq. ft.	1987	887,000
1988	992,000	1986	688,000

Sales & Earnings

	Revenues	Net Income
1989	$ 256,873,000	$ (24,260,000)
1988	291,429,000	5,304,000
1987*	302,151,000	12,555,000
1986	157,463,000	8,608,000
1985	126,456,000	1,805,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	10,710,000	$ —
1988	11,582,000	0.46
1987*	11,555,000	1.09
1986	10,414,000	0.83
1985	9,246,000	0.20

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1989	1988
Printer sales	$ 200,900,000	$ 234,400,000
Customer service rel. activities	37,800,000	39,500,000
Relay sales	18,200,000	17,500,000
Total	$ 256,900,000	$ 291,400,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	2-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 34,487,000	$ 3.22
1988	61,565,000	5.32
1987	58,510,000	5.06
1986	45,664,000	4.38
1985	18,735,000	2.03

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Sales of products	$ 219,044	$ 251,981
Lease & service	37,829	39,448
Total income	$ 256,873	$ 291,429
Cost of revenues	198,562	210,183
Selling, gen. & adm. exp.	47,291	48,624
Eng., research & product develop. exp.	11,223	14,202
Restruc. charges	14,051	6,000
Interest expense	14,125	13,376
Loss bef. taxes	$ (28,379)	$ (956)
Tax credit	(4,119)	(1,960)
Cum. effect of change in accntng. meth.	—	(4,300)
Net Income (Loss)	$ (24,260)	$ 5,304

* Included in Costs and Expenses, Depreciation and Amortization: $15,738,000 in 1989 and $14,524,000 in 1988.

Assets
(000's)

As of	12/31/89	1/1/89
Cash & cash equiv.	$ 213	$ 1,826
Accts. receiv., net	45,554	61,247
*Inventories	77,981	88,154
Recov. inc. taxes	7,530	1,267
Prepaid expenses	2,437	6,419
Current Assets	$ 133,715	$ 158,913
#Fixed assets	36,707	41,400
Goodwill	12,880	13,658
Other assets	7,093	9,938
Total Assets	$ 190,395	$ 223,909

Liabilities
(000's)

Long-term debt, curr.	$ 12,395	$ 1,942
Accts. payable & accruals	37,533	45,753
Deferred income	6,371	6,338
Curr. Liabilities	$ 56,299	$ 54,033
Long-term debt	99,609	106,173
Deferred inc. taxes	—	2,138
+ Common stock	106	111
Add. paid-in capital	24,548	27,361
Retained earnings	9,833	34,093
Total Liabilities & Shareholder's Equity	$ 190,395	$ 223,909

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Net Income to Sales	—	2.10
%Net Income to Equity	—	8.62
Sales to Inventories	2.81	2.86
Debt to Equity	3.25	1.76
Working Capital	$ 77,416,000	$ 104,880,000
Current Ratio	2.38	2.94
Shareholders' Equity	$ 34,487,000	$ 61,565,000

Genisco Technology Corporation

14930 East Alondra Boulevard
La Mirada, California 90638-5754
(714) 523-7001
FAX: (714) 522-1058

Officers: Phillip C. Friedman, chairman & chief executive officer; Michael F. Boice, sr. v.p.-business development; David A. Phipps, asst. secretary; John J. Gallogly, controller; Jerome J. Gross, v.p.-operations, systems division; Roger L. Rowe, v.p.-electronic products group.

Directors: Phillip C. Friedman, John P. Shelton, Fred Lukas, Harry M. Rubin.

Areas of Work: Manufactures computer memory products, computer graphics displays, and electronic components for the aerospace, military, energy, telecommunications, process control and other computer-based industries.

Divisions:

Electronics Division
18435 Susana Road
Rancho Dominguez, California 90221
(213) 537-4750

Manufactures Eldema indicator lights, EMI filter products, transducers and rotating test equipment; performs electromagnetic interference testing.

Peripheral Systems Division
10874 Hope Street
Cypress, California 90630
(714) 220-0720

Manufactures ruggedized cartridge tape and disk peripherals and computer graphics and imaging display systems.

Subsidiaries:

Genisco Computers Corporation
3545 Cadillac Avenue
Costa Mesa, California 92626
(714) 556-4916

Genisco Computers GmbH
Genisco Computers Ltd.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American, Pacific

Ticker Symbol: GES

Number of Employees:

1989	316	1986	456
1988	423	1985	446
1987	388		

Plant Footage:

1989	135,000 sq. ft.	1986	226,000
1988	106,000	1985	240,000
1987	178,000		

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 34,709,913	$ 1,743,388
1988	29,084,804	(12,353,795)
1987	38,910,516	(2,143,240)
1986	40,264,576	292,844
1985	36,467,502	139,396

	No. of Com. Shares	Earn. per Share ‡ #
1989	2,675,521	$ 0.65
1988	2,673,756	—
1987	2,671,766	—
1986	2,669,406	0.11
1985	2,667,391	0.05

(Loss)
‡ Including extraordinary gain of $709,000 ($0.26 per share) in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Systems group	$ 25,362,000	$ 17,240,000
Electronic prods. group	9,099,000	11,617,000
Other	249,000	228,000
Total	$ 34,710,000	$ 29,085,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,044,717	$ 1.14
1988	1,414,361	0.53
1987	13,798,930	5.16
1986	15,804,600	5.92
1985	15,472,601	5.80

Income Account*

Year ended Sept. 30	1989	1988
Revenues	$ 34,709,913	$ 29,084,804
Cost of revenues	27,369,484	32,500,747
Expenses	6,411,734	8,607,643
Interest expense	1,090,743	554,020
Gain on sale of prod. line	(1,929,436)	—
Contract termination costs	—	581,189
Gain on sale of real est.	—	(805,000)
Income (loss) before taxes	$ 1,767,388	$ (12,353,795)
Income taxes	733,000	—
Net Income (Loss)	$ 1,034,388	$ (12,353,795)
Extraord. gain	709,000	—
Net Income (Loss) & extraord. gain	$ 1,743,388	$ (12,353,795)

* Included in Costs and Expenses, Depreciation and Amortization: $1,227,863 in 1989 and $1,453,588 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 201,452	$ 291,676
Accts. receiv. net	7,201,945	5,054,148
*Inventories	8,501,801	9,339,447
Other curr. assets	218,054	481,369
Current Assets	$ 16,123,252	$ 15,166,640
#Fixed assets	3,020,307	3,171,905
Intangibles	778,461	1,125,151
Other assets	81,951	147,141
Total Assets	$ 20,003,971	$ 19,610,837

Liabilities

	1989	1988
Long-term debt, curr.	$ 37,200	$ 7,156,812
Accts. payable	3,573,724	4,473,942
Accrued payroll	1,937,324	2,142,796
Other accruals	1,373,338	2,076,020
Accrued contract term. costs	—	650,000
Curr. Liabilities	$ 6,921,586	$ 16,499,570
Long-term debt	9,208,668	597,906
Deferred lease credit	829,000	1,000,000
Other liabilities	—	99,000
+Common stock	1,508,385	1,507,502
Add. paid-in capital	9,703,836	9,701,423
Retained earnings (deficit)	(8,167,504)	(9,910,892)
Currency trans. adj.	—	116,328
Total Liabilities & Shareholders' Equity	$ 20,003,971	$ 19,610,837

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Revenues	5.09	—
%Net Income to Revenues	2.98	—
%Net Income to Equity	33.97	—
Debt to Equity	3.04	5.48
Working Capital	$ 9,201,666	—
Current Ratio	2.33	—
Shareholders' Equity	$ 3,044,717	$ 1,414,361

GenRad, Inc.

300 Baker Avenue
Concord, Massachusetts 01742-2174
(508) 369-4400
FAX: (508) 369-6974

Officers: William R. Thurston, chairman of the board; Robert E. Anderson, president & chief exec. officer; Constantine J. Lahanas, sr. v.p.-corp. development & secretary; Charles E. Peters, Jr., sr. v.p. & chief financial officer; Richard J. Faubert, v.p.-new product development; James T. Lynch, v.p.-human resources; Richard C. Tippett, v.p.-operations; D. Wayne Peters, treasurer; Vincent L. Carolan, controller; Arthur W. Winterhalter, v.p.-marketing, sales & support; J. Thomas Austin, v.p. & gen. mgr.-California operations; Mark T. Beaudouin, general counsel & asst. secretary.

Directors: William R. Thurston, chairman; Robert E. Anderson, Paul Penfield, Jr., Earl W. Pitt, William G. Scheerer, Wilson Wilde, James H. Wright.

Areas of Work: Manufactures test equipment for the electronic equipment, mechanical equipment and semiconductor industries. The Company's computer-based test systems are used by electronics manufacturers to test printed circuit boards and isolate faults down to the individual component level. Electronic component test instruments indicate whether capacitors, resistors, inductors, or integrated circuits are functioning properly. Digital signal processors analyze structures and machinery. Acoustic instrumentation products analyze and measure noise, and are widely used to test compliance with industrial and environmental noise regulations.

Divisions:

Electronic Manufacturing Test Products
Concord, Massachusetts

Structural Test Products
Milpitas, California

Design Automation Products
Fareham, Hants, U.K.

Automotive Test Products
Cheadle, Cheshire, United Kingdom

Subsidiaries:

GenRad Ltd.
Ontario, Canada

GenRad Ltd.
Maidenhead, Berkshire, United Kingdom

GenRad
Paris, France

GenRad GmbH
Munich, Germany

GenRad SpA
Milan, Italy

GenRad (Schweiz) AG
Zurich, Switzerland

GenRad Benelux B.V.
Eindhoven, The Netherlands

GenRad Handelsges m.b.H
Vienna, Austria

Joint Venture:

Tel-GenRad, Ltd.
Nirasaki, Japan

Transfer Agent(s):

Bank of Boston
Stockholder Services Division
Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

GenRad, Inc.

Ticker Symbol: GEN

Number of Employees:

1989	1,869	1986	2,240
1988	1,998	1985	2,867
1987	2,113		

Plant Footage:

1989	N.A.	1986	612,000
1988	680,000 sq. ft.	1985	680,000
1987	680,000		

N.A.-Not Available

Sales & Earnings

	Net Sales †	Net Income
1989	$ 188,906,000	$ (6,090,000)
1988	205,859,000	(6,238,000)
1987	193,771,000	(37,045,000)
1986	177,059,000	(29,895,000)
1985	186,462,000	(52,254,000)

	No. of Com. Shares +	Earn. per Share +
1989	17,046,000	$ —
1988	16,634,000	—
1987	16,455,000	—
1986	16,255,000	—
1985	16,062,000	—

(Loss)
† Includes service revenues; of continuing operations only.
+ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	-	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 60,946,000	$ 3.52
1988	66,889,000	3.99
1987	72,939,000	4.40
1986	105,654,000	6.45
1985	132,414,000	8.22

Income Account *
(000's)

Year ended	12/30/89	12/31/88
Revenues:		
Sales of products	$ 151,297	$ 167,504
Sales of services	37,609	38,355
Total revenues	$ 188,906	$ 205,859
Cost of sales & services	92,513	95,528
Expenses	96,638	102,544
Interest expense	5,376	5,929
Interest income	(2,402)	(2,318)
Reorganization expense	3,000	10,000
Other expense (income)	(528)	309
Loss bef. taxes	$ (5,691)	$ (6,133)
Income taxes	399	105
Net Loss	$ (6,090)	$ (6,238)

* Included in Costs and Expenses, Depreciation and Amortization: $16,444,000 in 1989 and $16,665,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash & short-term invest.	$ 24,244	$ 26,761
Accts. receiv., net	44,314	50,146
*Inventories	37,922	37,672
Other curr. assets	4,096	2,992
Net assets - discont. oper.	—	1,062
Current Assets	$ 110,576	$ 118,633
#Fixed assets	65,020	67,933
Other assets	4,511	6,289
Total Assets	$ 180,107	$ 192,855

Liabilities
(000's)

Notes payable	$ 10,777	$ 7,926
Long-term debt, curr	79	377
Accts. payable	11,331	12,746
Accruals	20,756	23,724
Income taxes	640	1,372
Est. costs-discont. oper.	—	2,738
Curr. Liabilities	$ 43,583	$ 48,883
Long-term debt	55,874	57,082
Deferred inc. taxes	1,658	1,466
Accrued pensions	10,476	10,220
Fut. lease costs-unused facil.	7,570	8,315
+Common stock	17,330	16,754
Add. paid-in capital	100,845	100,465
Retained earnings (deficit)	(55,094)	(48,968)
Foreign curr. trans. adj.	(2,135)	(1,362)
Total Liabilities & Shareholders' Equity	$ 180,107	$ 192,855

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.99	4.45
Debt to Equity	1.09	0.98
Working Capital	$ 66,993,000	$ 69,750,000
Current Ratio	2.54	2.43
Shareholders' Equity	$ 60,946,000	$ 66,889,000

George Risk Industries, Inc.

802 South Elm Street
Kimball, Nebraska 69145-1599
(308) 235-4645
FAX: (308) 235-2609

Officers: Ken Risk, chairman, chief exec. officer & president; Daniel Douglas, v.p.-materiel; Eileen Risk, treasurer & secretary; Donna Debowey, asst. secretary; Eileen M. Risk, asst. secretary.

Directors: Ken Risk, chairman; Eileen Risk, Jerry Anderson, William Batterton, Roy Bowling.

Areas of Work: Engaged in the design, manufacture and sale of computer keyboards, push button switches and burglar alarm components and systems

Subsidiaries:

Richleu Corporation
GRI Research and Development Laboratories, Inc.
GRI Telemark Corp

Transfer Agent(s):

George Risk Industries, Inc.
Kimball, Nebraska

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RISKA (NASDAQ)

Number of Employees:

1989 130

Plant Footage:

1989 .... 17,000 sq. ft.

Sales & Earnings

	Net Sales	Net Income †
1989	$ 4,150,513	$ 325,460
1988	3,712,625	364,671
1987	2,809,654	(607,794)
1986	2,683,106	(562,946)
1985	1,911,150	133,525

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	6,234,888	$ 0.05
1988	6,234,888	0.06
1987	6,234,888	—
1986	6,234,888	—
1985	6,234,888	0.02

(Loss)
† Including extraordinary gains of $132,575 ($0.02 per share) in 1989 and $132,871 ($0.02 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Keyboard products	$ 787,105	$ 943,885
Burglar alarm products	3,240,391	2,594,465
Other products	299,437	297,040
Sales returns & allow.	(176,420)	(122,765)
Total	$ 4,150,513	$ 3,712,625

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1989	$ 746,100	$ 0.12
1988	421,728	0.07
1987	52,912	0.01
1986	665,403	0.11
1985	1,225,195	0.20

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Apr. 30	1989	1988
Net sales	$ 4,150,513	$ 3,712,625
Cost of sales	2,193,254	1,980,506
Oper. expenses	1,575,331	1,267,719
Interest expense	21,673	26,643
Interest income	(8,653)	(3,883)
Factoring fees	25,759	27,430
Other income	(35,928)	(7,297)
Inc. bef. taxes	$ 379,077	$ 421,507
Income taxes	171,320	182,871
Minority interest	14,872	6,836
Net Income	$ 192,885	$ 231,800
Extraord. gain	132,575	132,871
Net Income & extraord. gain	$ 325,460	$ 364,671

* Included in Costs and Expenses, Depreciation and Amortization: $82,20[illegible] in 1989 and $73,772 in 1988.

Assets

As of Apr. 30	1989	1988
Cash	$ 8,637	$ 67,608
Accts. receiv., net	532,629	478,646
Factors' reserves	—	7,286
Escrow funds	—	10,531
* Inventories	661,467	581,784
Prepaid expenses	5,396	14,662
Current Assets	$ 1,208,129	$ 1,160,517
#Fixed assets	381,085	268,725
Other assets	2,792	2,375
Total Assets	$ 1,592,006	$ 1,431,617

Liabilities

	1989	1988
Notes payable	$ 198,937	$ 268,819
Long-term debt, curr.	103,894	87,587
Accts. payable	78,905	143,788
Accruals	78,197	66,717
Accrued payroll	28,249	31,797
Curr. Liabilities	$ 488,182	$ 598,708
Long-term debt	44,029	111,946
Minority interest	56,695	42,235
+ Preferred stock	257,000	257,000
++ Common stock:		
Class A	658,238	658,238
Class B	83,910	83,910
Add. paid-in capital	1,431,620	1,432,708
Accum. deficit	(1,375,108)	(1,700,568)
Treasury stock	(52,560)	(52,560)
Total Liabilities & Shareholders' Equity	$ 1,592,006	$ 1,431,617

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ No par value.
++ $0.10 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	9.13	11.35
% Net Income to Sales	4.65	6.24
%Net Income to Equity	19.23	34.15
Sales to Inventories	6.27	6.38
Debt to Equity	0.35	0.56
Working Capital	$ 719,947	$ 561,809
Current Ratio	2.47	1.94
Shareholders' Equity	$ 1,003,100	$ 678,728

Geotel, Inc.

25 Davids Drive
Hauppauge, New York 11788
(516) 436-7230
FAX: (516) 231-7075

Officers: Robert J. Sanator, president & chief exec. officer; Joseph E. Link, v.p., chief financial officer & secretary.

Directors: Herman Fialkov, Benjamin V. Wright, Jr., Eugene F. Murphy, Richard L. Geiger, Robert J. Sanator, Bernard Schniebolk.

Division:

Telemet Division
25 Davids Drive
Hauppauge, New York 11788
(516) 436 7260

Designs, manufactures and sells solid-state video and audio signal processing, testing and switching instrumentation. Communication equipment manufactured by the Company includes video distribution amplifiers, multi-function test sets, test signal generators, differential phase and gain systems, sideband analyzers, modulators, precision demodulators, chroma keyers, routing switchers, video transmission cable equalizing for both short and long haul, and fiber optic transmission and receiver links.

Subsidiary:

True Technical Resources, Inc.
Hauppauge, New York

Provides engineering, design, installation and maintenance services to telephone operating companies, communications equipment manufacturers and the telephone interconnect industry. Also provides temporary technical and craft personnel to a variety of industries.

Acquisition:

Marks Polarized Corporation

Designs, manufactures and sells special optical products for commercial and military applications. These products are primarily contrast-enhancement filters that allow viewing of electronic displays in direct sunlight.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GETE (NASDAQ)

Number of Employees:

1989	130	1986	98
1988	162	1985	N.A.
1987	83		

Plant Footage:

1989	40,000 sq. ft.	1986	78,350
1988	54,500	1985	N.A.
1987	54,500		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 5,364,000	$ (1,808,655)
1988	2,613,000	(739,343)
1987	2,743,000	306,802
1986	2,959,000	(1,050,027)
1985	2,705,000	812,813

	No. of Com. Shares	Earn. per Shares ‡
1989	3,726,568	$ —
1988	3,726,568	—
1987	3,726,486	0.08
1986	3,731,919	—
1985	3,525,176	0.24

(Loss)
+ Of continuing operations only.
‡ Based on the number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electronic communication	$ 2,326,051	$ 2,507,485
Technical services	2,496,230	105,722
Optical products	541,859	—
Total	$ 5,364,140	$ 2,613,207

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,752,471	$ 0.47
1988	3,561,126	0.96
1987	4,300,440	1.15
1986	4,004,075	1.07
1985	4,731,488	1.34

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 5,364,140	$ 2,613,207
Cost of sales	3,925,276	1,678,762
Expenses	3,041,086	2,081,024
Interest expense	173,657	76,203
Other income	(101,923)	(282,416)
Interest income	(37,810)	(104,838)
Loss before taxes	$ (1,636,146)	$ (835,528)
Tax credit	—	(167,000)
Loss-cont. oper.	$ (1,636,146)	$ (668,528)
Loss-discont. oper.	(172,509)	(70,815)
Net Loss	$ (1,808,655)	$ (739,343)

* Included in Costs and Expenses, Depreciation and Amortization: $149,353 in 1989 and $134,120 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 375,112	$ 780,987
Accts. receiv., net	1,074,426	352,089
*Inventories	592,003	776,407
Prepaid expenses	904,862	82,374
Net assets held for sale	—	1,929,774
Notes receivable	—	415,901
Current Assets	$ 2,946,403	$ 4,337,532
Note receiv.	200,000	—
#Fixed assets	540,943	402,510
Investment	700,000	—
Other assets	58,760	41,890
Total Assets	$ 4,446,106	$ 4,781,932

Liabilities

	1989	1988
Bank loans payable	$ 1,400,000	$ 400,000
Long-term debt, curr.	9,870	—
Accts. payable	185,416	92,782
Accrued expenses	497,711	328,024
Curr. Liabilities	$ 2,092,997	$ 820,806
Long-term debt	600,638	400,000
+Common stock	373,203	373,203
Add. paid-in capital	4,230,926	4,230,926
Retained earnings (deficit)	(2,841,193)	(1,032,538)
Treasury stock	(10,465)	(10,465)
Total Liabilities & Shareholders' Equity	$ 4,446,106	$ 4,781,932

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
Sales to Inventories	9.06	3.37
Debt to Equity	1.14	0.22
Working Capital	$ 853,406	$ 3,516,726
Current Ratio	1.41	5.28
Shareholders' Equity	$ 1,752,471	$ 3,561,126

Gerber Scientific, Inc.

83 Gerber Road West
South Windsor, Connecticut 06074
(203) 644-1551
FAX: (203) 643-7039

P.O. Box 305
Hartford, Connecticut 06141-0305

Officers: H. Joseph Gerber, president; Fredric K. Rosen, v.p.; Peter J. Russo, treasurer & corp. controller; Robert J. Maerz, sr. v.p.-marketing & operations; George M. Gentile, sr. v.p.-finance; Richard F. Treacy, Jr., secretary & general counsel.

Gerber Scientific, Inc.

Directors: H. Joseph Gerber, George M. Gentile, Belmont Towbin, Stanley Simon, Roger B. McCormick

Areas of Work: Specializes in the design, manufacture, sale and service of computer-aided design and computer-aided manufacturing (CAD/CAM) products in computer-controlled drafting and photoplotting, low-cost interactive design, computerized marker making, material nesting, cutting and handling, sophisticated turnkey interactive graphic production systems which integrate several design and manufacturing processes, and microprocessor-controlled production systems. Gerber automation systems are used by a wide range of industries, including aerospace, apparel, automotive, electronics, metalworking, printing, graphic arts, sign-making and optical lens manufacturing.

Subsidiaries:

The Gerber Scientific Instrument Company
83 Gerber Road West
South Windsor, Connecticut 06074
(203) 644-1551

Designs and manufactures task-oriented, turnkey interactive systems which are used in high precision drafting and photoplotting. These computer-controlled systems are used to automate the production of critical engineering drawings and artwork and other documentation for printed circuit boards and film page layouts for the graphic arts industry.

Gerber Scientific (Canada) Ltd.
GSI Japan Ltd.

Gerber Garment Technology, Inc.
24 Industrial Park Road
Tolland, Connecticut
(203) 871-8082

Designs and manufactures CAD/CAM systems for the layout and cutting of flexible materials such as fabrics, textiles, leather, vinyls, plastics, fiberglass and advanced composite materials. The computer-aided design (CAD) systems automate sizing and arranging of pattern pieces to maximize material usage. The computer-aided manufacturing systems use the data generated by the design systems to cut the materials. The computer-controlled material handling system for the apparel industry delivers sequentially fabricated apparel parts between sewing room operators.

GGT Canada, Ltd.
GGT International (Australia) Pty. Ltd.
GGT International (NZ) Ltd., New Zealand
GGT International (Far East) Ltd., Hong Kong

Gerber Systems Technology, Inc.
425 Sullivan Avenue
South Windsor, Connecticut 06074
(203) 282-1478

Manufactures interactive design and data management systems used in computer-aided design and manufacturing (CAD/CAM) for a wide range of mechanical, electronic and manufacturing applications.

Gerber Systems Technology International, Inc.
Gerber Systems Technology International GmbH, West Germany

Gerber Scientific-Europe, S.A.
Boulevard du Souverain
100 BTE 2
Brussels B-1170, Belgium

Gerber Scientific-U.K. Limited
Unit 8B Intec Two
Wade Road
Basingstoke, Hampshire R624, England

Gerber Scientific GmbH
Oskar-Messter Strasse 15
D-8045 Ismaning
Munich, West Germany

Gerber Scientific Italy S.R.L.
Centro Commerciale
20090 Noverasco Di Opera
Milano, Italy

Gerber Scientific France S.A.R.L.
19, Avenue LeonGambetta
Montrouge F-92120, France

Gerber Scientific Scandinavia A.B.
P.O. Box 4080
Solna S17104, Sweden

Gerber Scientific Leasing, Inc.
P.O. Box 305
Hartford, Connecticut 06141

Gerber Scientific Products, Inc.
151 Batson Drive
Manchester, Connecticut 06040
(203) 643-1515

Designs and manufactures low-cost microprocessor controlled production systems principally for the sign-making, graphic arts, and optical lens manufacturing industries.

Affiliates:

Boston Digital Corporation (21.2% owned)
Holliston, Massachusetts

Manufactures numerically controlled machine tools.

Cambridge Robotic Systems, Inc.

Designs and manufactures automatic optical inspection systems used in the inspection and qualification of high-density printed wiring devices and phototooling.

Transfer Agent(s):

Mellon Securities Trust Company
East Hartford, Connecticut 06108

Stock Exchange(s): New York

Ticker Symbol: GRB

Number of Employees:

1989	2,077	1986	1,700
1988	2,000	1985	1,800
1987	1,800		

Plant Footage:

1989	1,191,000 sq. ft.	1986	877,000
1988	1,069,000	1985	764,000
1987	934,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 307,189,000	$ 32,423,000
1989	299,339,000	32,852,000
1988	263,983,000	29,612,000
1987	223,854,000	21,057,000
1986	191,786,000	18,190,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	23,864,000	$ 1.36
1989	24,337,000	1.35
1988	25,803,000	1.15
1987	26,054,000	0.81
1986	25,988,000	0.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.16	—	—
1989	0.12	—	
1988	0.11	—	—
1987	0.08	—	3-for-2
1986	0.08	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 205,344,000	$ 8.60
1989	181,256,000	7.45
1988	169,579,000	6.57
1987	161,120,000	6.18
1986	141,479,000	5.44

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended April 30	1990	1989
Prod. sales	$ 261,682,000	$ 252,811,000
Service	45,507,000	46,528,000
Total revenues	$ 307,189,000	$ 299,339,000
Cost of revenues	151,088,000	142,651,000
Expenses	110,831,000	109,529,000
Interest expense	1,722,000	1,713,000
Other income	(6,275,000)	(5,406,000)
Income before taxes	$ 49,823,000	$ 50,852,000
Income taxes	17,400,000	18,000,000
Net Income	$ 32,423,000	$ 32,852,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,825,000 in 1990 and $9,328,000 in 1989.

Assets

As of April 30	1990	1989
Cash & short-term invest.	$ 29,715,000	$ 33,875,000
Accts. receiv., net	75,357,000	64,141,000
*Inventories	89,121,000	80,619,000
Prepaid expenses	3,247,000	1,149,000
Current Assets	$ 197,440,000	$ 179,784,000
#Fixed assets	53,393,000	53,862,000
Long-term receiv. & invest.	9,293,000	4,748,000
Intangibles	13,232,000	12,228,000
Other assets	3,253,000	3,897,000
Total Assets	$ 276,611,000	$ 254,519,000

Liabilities

Notes payable	$ 6,208,000	$ 8,715,000
Long-term debt, curr.	291,000	609,000
Accts. payable	14,307,000	13,963,000
Accrued payroll	7,816,000	6,766,000
Other accruals	19,475,000	20,757,000
Income taxes	—	634,000
Advance payments	3,430,000	2,805,000
Curr. Liabilities	$ 51,527,000	$ 54,249,000
Long-term debt	9,452,000	11,464,000
Deferred inc. taxes	9,025,000	7,550,000
Other liabilities	1,263,000	—
+Common stock	23,545,000	23,803,000
Add. paid-in capital	31,616,000	31,570,000
Retained earnings	148,829,000	123,970,000
Cum. trans. adjust.	1,354,000	1,913,000
Total Liabilities & Shareholders' Equity	$ 276,611,000	$ 254,519,000

* At lower of average cost (which approximates FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	16.22	16.99
%Net Income to Revenues	10.55	10.97
%Net Income to Equity	15.79	18.12
Debt to Equity	0.08	0.11
Working Capital	$ 145,913,000	$ 125,535,000
Current Ratio	3.83	3.31
Shareholders' Equity	$ 205,344,000	$ 181,256,000

Gleason Corporation

30 Corporate Woods
P.O. Box 22856
Rochester, New York 14692-2856
(716) 272-6000
FAX: (716) 272-6099

Officers: James S. Gleason, president & chairman of the board; John B. Kodweis, v.p.-human resources & public affairs; Edward C. Berlinski, treasurer; Ralph E. Harper, secretary & corporate counsel; James E. Thomas, controller; John C. Kobiliak, v.p.-finance.

Directors: James S. Gleason, chairman; Julian W. Atwater, Robert W. Bjork, Albert W. Moore, Robert A. Sherman, Donald D. Lennox, Paul W. MacAvoy.

Areas of Work: Produces a line of precision machines and associated tooling to customer specifications and needs. Provides equipment and technology for the production of bevel gears, Curvic couplings, automated machining and testing systems and other components for mechanical power transmission systems. Also performs contract manufacturing of parts and sub-assemblies, molds, dies and fresnel lenses for a variety of industrial customers.

Divisions:

Hackett Precision Company
Nashville, Tennessee

The Gleason Works
Rochester, New York

The Gleason Works, S.A.
Baudour, Belgium

Gleason Works, Ltd.
Plymouth, England

Gleason Corporation Sales
Southfield, Michigan

Gleason Stuttgart
Stuttgart, Germany

Gleason Milano
Milan, Italy

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Rochester, New York 14603

Stock Exchange(s): New York

Ticker Symbol: GLE

Number of Employees:

1989	2,983	1986	3,408
1988	3,163	1985	3,874
1987	3,033		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 162,241,000	$ 15,419,000
1988	116,206,000	(4,234,000)
1987	137,487,000	(1,325,000)
1986	179,363,000	347,000
1985	162,005,000	782,000

	No. of Com. Shares #	Earn. per Share #
1989	5,723,934	$ 2.69
1988	5,750,115	—
1987	5,745,380	—
1986	5,712,614	0.06
1985	5,693,937	0.14

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 107,705,000	$ 18.81
1988	92,914,000	16.20
1987	96,858,000	16.86
1986	94,118,000	16.48
1985	92,775,000	16.29

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 162,241,000	$ 116,206,000
Cost of sales	115,689,000	83,211,000
Expenses	30,076,000	31,647,000
Interest expense	1,604,000	889,000
Other income	(3,229,000)	(2,786,000)
Income bef. taxes	$ 12,101,000	$ 3,245,000
Income taxes	2,311,000	1,640,000
Inc.-cont. oper.	$ 9,790,000	$ 1,605,000
Inc. (loss)-discont. oper.	5,629,000	(5,839,000)
Net Income (Loss)	$ 15,419,000	$ (4,234,000)

* Included in Costs and Expenses, Depreciation and Amortization: $7,575,000 in 1989 and $7,075,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 13,570,000	$ 3,952,000
Accts. receiv., net	46,142,000	33,080,000
*Inventories	33,043,000	31,026,000
Other curr. assets	2,924,000	3,968,000
Net assets-discont. oper.	6,253,000	8,408,000
Current Assets	$ 101,932,000	$ 80,434,000
#Fixed assets	43,792,000	46,057,000
Other assets	1,914,000	1,236,000
Net assets-discont. oper	36,658,000	46,658,000
Total Assets	$ 184,296,000	$ 174,385,000

Liabilities

Amts. due to banks	$ 7,705,000	$ 6,491,000
Long-term debt. curr.	7,981,000	32,992,000
Accts. payable	13,153,000	9,232,000
Advances from customers	8,321,000	4,359,000
Accrued payroll	8,508,000	7,799,000
Income taxes	2,611,000	1,538,000
Other curr. liab.	8,372,000	9,061,000
Curr. Liabilities	$ 56,651,000	$ 71,472,000
Long-term debt	14,846,000	2,725,000
Def. income taxes	2,354,000	2,820,000
Oblig. to purch. a patent	—	975,000
Accrued empl. benefits	2,740,000	3,479,000
+Common stock	5,727,000	5,736,000
Add. paid-in capital	11,384,000	11,683,000
Retained earnings	92,228,000	77,857,000
Currency trans. adjust.	(1,634,000)	(1,387,000)
Oblig. to deliver comm. stock	—	(975,000)
Total Liabilities & Shareholders' Equity	$ 184,296,000	$ 174,385,000

* At lower of cost (primarily LIFO) or market. Remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.35	—
Sales to Inventories	4.91	3.75
Debt to Equity	0.28	0.45
Working Capital	$ 45,281,000	$ 8,962,000
Current Ratio	1.80	1.13
Shareholders' Equity	$ 107,705,000	$ 92,914,000

Gould Inc.

35129 Curtis Boulevard
Eastlake, Ohio 44095
(216) 953-5000
FAX: (216) 953-5050

NOTE: Gould was acquired by Nippon Mining Co., Ltd. in 1988, and has become a wholly-owned subsidiary of that company. Therefore, there is no financial information available for Gould.

Officers: C. David Ferguson, president & chief executive officer; Jerry W. Gaskin, sr. v.p.-administration & chief financial officer; Joseph L. Augustine, v.p. & controller; Robert J. Fedor, v.p.-corporate business development; L. Joseph Huss, v.p.-human resources; Tibor Kalnoki-Kis, v.p.-technology; John L. Monaco, v.p.-tax & treasurer; Edward L. Morrison, group v.p.-test & measurement; Robert J. Panaro, group v.p.-circuit protection; Peter Peckham, v.p.-engineering & U.S. operations-Foil; Herbert F. Schrader, v.p.-Gould Europe; Michael C. Veysey, v.p.-secretary & general counsel; Conrad J. Wredberg, group v.p.-semiconductors.

Areas of Work: Develops, manufactures and markets materials, components and instrumentation. Four divisions comprise the businesses of Gould: Circuit Protection, Foil, Semiconductors, and Test & Measurement Instrumentation.

Divisions:

Circuit Protection Business
374 Merrimac Street
Newburyport, Massachusetts 01950
(508) 462-6662

Manufactures current limiting one-time and time-delay fuses energy limiting fuses, fuse housings, power distribution blocks and wiring duct for commercial and industrial applications.

Foil Business
35129 Curtis Blvd.
Eastlake, Ohio 44095
(216) 953-5000

Produces electro-deposited copper foil used in the manufacture of printed circuit boards, and fiber optic couplers.

Semiconductor Business
2300 Buckskin Road
Pocatello, Idaho 83021
(208) 233-4690

Manufactures custom and semicustom MOS/VLSI integrated circuits, microprocessors, communications ICs, electronically eraseable programmable logic devices and read-only-memory (ROM) chips.

Test and Measurement Business
3631 Perkins Avenue
Cleveland, Ohio 44114
(216) 881-4256

Manufacturers of electronic, physical and medical based test & measurement products and systems, including direct writing oscillographs, array recording systems, digital storage oscilloscopes, logic analyzers, ASIC verification systems and computer based data acquisition systems.

Number of Employees:

1989	4,500	1986	10,613
1988	N.A.	1985	18,605
1987	10,126		

N.A.-Not Available

W.W. Grainger, Inc.

5500 West Howard Street
Skokie, Illinois 60077
(708) 982-9000
FAX: (708) 982-1673

Officers: David W. Grainger, chairman; Wiley N. Caldwell, president; Donald E. Bielinski, v.p. & chief financial officer; James M. Baisley, v.p. & gen. counsel; David K. Barth, v.p.-planning & development; Edward C. Bender, v.p.-information services; Lee J. Flory, v.p. & secretary; Jere D. Fluno, vice chairman; Neal Ormond, III, v.p.-human resources; Robert D. Pappano, v.p. & treasurer; Richard D. Quast, v.p.-real estate; Paul J. Wallace, v.p. & controller.

W.W. Grainger, Inc.

Directors: David W. Grainger, chairman; George R. Baker, Wiley N. Caldwell, Kingman Douglass, Robert E. Elberson, Jere D. Fluno, Wilbur H. Gantz, John W. McCarter, Jr., James D. Slavik, Harold Byron Smith, Jr., Fred L. Turner.

Areas of Work: Nationwide distributor of equipment, components, and supplies to the commercial, industrial, institutional and contractor markets.

Divisions:

Parts Company of America
Buffalo Grove, Illinois

Granger Division
Chicago, Illinois

Transfer Agent(s):

The First National Bank of Boston
Capital Markets Technologies/Shareholder Services
P.O. Box 644 -- Mail Stop 45-02-09
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York, Midwest

Ticker Symbol: GWW

Number of Employees:

1989	7,646	1986	5,578
1988	7,209	1985	5,195
1987	6,258		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 1,727,454,000	$ 119,563,000
1988	1,535,468,000	108,832,000
1987	1,320,797,000	90,506,000
1986	1,159,595,000	86,112,000
1985	1,091,590,000	71,775,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	27,259,837	$ 4.39
1988	27,786,971	3.92
1987	28,843,674	3.14
1986	29,118,125	2.96
1985	29,047,970	2.47

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	0.86	—	
1987	0.78	—	—
1986	0.71	—	—
1985	0.665	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 731,664,000	$ 26.84
1988	635,482,000	22.87
1987	581,213,000	20.15
1986	582,091,000	19.99
1985	518,234,000	17.84

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,727,454	$ 1,535,468
Cost of sales	1,125,510	1,005,668
Expenses	410,884	351,972
Interest expense	1,156	1,561
Interest income	(4,366)	(3,841)
Other expense (income)	(2,241)	382
Income before taxes	$ 196,511	$ 179,726
Income taxes	76,948	70,894
Net Income	$ 119,563	$ 108,832

* Included in Costs and Expenses, Depreciation and Amortization: $33,312,000 in 1989 and $28,517,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 81,439	$ 72,575
Marketable securities	—	6,600
Accts. receiv., net	220,286	182,836
*Inventories	412,365	329,947
Prepaid expenses	6,007	3,967
Deferred inc. tax benefits	35,116	23,674
Current Assets	$ 755,213	$ 619,599
#Fixed assets	302,289	308,639
Other assets	7,743	7,975
Total Assets	$ 1,065,245	$ 936,213

Liabilities
(000's)

Long-term debt, curr.	$ 26,649	$ 15,544
Accts. payable	135,228	144,620
Accrued profit-sharing	26,289	22,679
Other accruals	55,122	41,472
Income taxes	18,316	12,557
Curr. Liabilities	$ 261,604	$ 236,872
Long term debt	2,776	16,532
Deferred inc. taxes	58,275	47,327
Accrued postretire. benefits	10,926	—
+Common stock	27,249	27,172
Add. paid-in capital	47,378	40,163
Guarantee of ESOP debt	(659)	—
Retained earnings	657,696	568,147
Total Liabilities & Shareholders' Equity	$ 1,065,245	$ 936,213

* At lower of cost (LIFO) or market.
# Less accumulated depreciation or amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.38	11.70
%Net Income to Sales	6.92	7.09
%Net Income to Equity	16.34	17.13
Sales to Inventories	4.19	4.65
Debt to Equity	0.04	0.05
Working Capital	$ 493,609,000	$ 382,727,000
Current Ratio	2.89	2.62
Shareholders' Equity	$ 731,664,000	$ 635,482,000

Graphic Scanning Corp.

25 Rockwood Place
Englewood, New Jersey 07631
(201) 894-8000

Officers: Daniel Rubin, chairman of the board; Robert Cymbala, president & chief exec. officer; William S. Wheatley, Jr., sr. exec. v.p. & chief administrative officer; Jay A. Disler, v.p., chief financial officer & asst. secretary; Richard J. Sherwin, v.p.-marketing & chief operating officer; Ronald P. Vicari, v.p.-engineering; Arnold S. Jacobs, secretary.

Directors: Daniel Rubin, chairman; Robert J. Cymbala, Martin Beck, Arnold S. Jacobs, Howard Mescon, John A. Morgan, Robert P. Shapiro, Stephen R. Petschek.

Areas of Work: The company provides one-way radio paging services and two-way mobile telephone services in the United States and in the United Kingdom. The company also designs and manufactures voice digitizers used in secure voice and data communications systems, secure facsimile machines, radio paging terminals, voice message storage and retrieval equipment and telephone answering equipment.

Divisions and Subsidiaries:

Digital Paging Systems, Inc.
25 Rockwood Place
Englewood, New Jersey 07631

Securities Services Division
29 Broadway
New York, New York 10006
Provides specialized data and message processing services for investment banks, commercial banks and their counsel.

Radio Relay Corp.-Delaware
25 Rockwood Place
Englewood, New Jersey 07631

Spectrum Communications & Electronics Corp.
62 Bethpage Road
Hicksville, New York 11801
Designs, develops, manufactures and markets radio paging terminals, voice message storage and retrieval equipment and telephone answering equipment.

Switchco, Inc.:
Time and Space Processing, Inc.
705 East Evelyn Avenue
Sunnyvale, California 94086
Designs, develops, manufactures and markets narrow band voice digitizers.

Digital Mobile Communications, Ltd.
England
Provides radio paging and VHF paging services, and mobile radio cellular telephone services.

GSC Service Corp.
GSC of Nevada, Inc.
Radio Relay-Digital Paging Corp.
Digital Paging Systems, Inc.
Tel-Car Corp.
Electropage, Inc.
Colgan Communications, Inc.
Beeper Marketing of New York, Inc.
Cellular Mobile Systems of Illinois, Inc.
Cellular Mobile Systems of Indiana, Inc.
Broadcast Data Corp.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GSCC (NASDAQ)

Number of Employees:

1989	1,160	1986	1,700
1988	1,500	1985	1,602
1987	1,600		

Plant Footage:

1989	N.A.	1986	93,000
1988	50,000 sq. ft.	1985	93,000
1987	68,000		

N. A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 89,902,000	$ (25,547,000)
1988	89,897,000	47,978,000
1987	89,620,000	75,727,000
1986	94,303,000	(49,877,000)
1985	106,138,000	(11,907,000)

	No. of Com. Shares #	Earn. per Share #
1989	32,653,000	$ —
1988	38,824,000	1.31
1987	48,333,000	1.73
1986	37,744,481	—
1985	35,795,508	—

(Loss)
+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Radio common carrier	$ 75,259,000	$ 69,704,000
Communications equip. mfr.	11,752,000	14,242,000
Other	2,891,000	5,951,000
Total	$ 89,902,000	$ 89,897,000

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 45,411,000	$ 1.39
1988	75,328,000	1.94
1987	47,720,000	0.99
1986	6,304,965	0.17
1985	46,151,535	1.29

# Based on the average number of common shares and common share equivalents outstanding.

Income Account

Year ended June 30	1989	1988
Net sales & services	$ 89,902,000	$ 89,897,000
Cost of sales	42,843,000	38,979,000
Expenses	55,317,000	52,407,000
Depreciation & amortization	15,247,000	17,204,000
Res. & develop.	3,031,000	2,654,000
Prov. for restruc.	3,316,000	—
Gain on sales of bus. int.	—	(119,735,000)
Interest income	(4,780,000)	(6,449,000)
Interest expense	5,028,000	6,926,000
Eq. in losses (earn.) of Joint ventures	(159,000)	686,000
Prov. for litigation	1,683,000	2,400,000
Minority interest	(1,007,000)	(869,000)
Other income	(640,000)	(1,478,000)
Income (loss) bef. taxes	$ (29,977,000)	$ 97,172,000
Income taxes (credit)	(7,594,000)	28,345,000
Income (loss)-cont. oper.	$ (22,383,000)	$ 68,827,000
Loss-discont. oper.	(3,164,000)	(20,849,000)
Net Income (Loss)	$ (25,547,000)	$ 47,978,000

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 24,019,000	$ 40,222,000
Accts. receiv., net	6,970,000	7,380,000
Receiv. from sales of communications interests	—	41,669,000
*Inventories	8,258,000	8,382,000
Interest & other receiv.	4,911,00	4,439,000
Other current assets	3,221,000	2,157,000
Current Assets	$ 47,406,000	$ 104,249,000
#Fixed assets	35,057,000	33,315,000
Invest. in joint ventures	18,926,000	13,040,000
Cert. of Authority	26,153,000	26,923,000
Deferred costs	4,215,000	3,503,000
Refund. income taxes	2,287,000	—
Other assets	5,032,000	4,197,000
Total Assets	$ 139,076,000	$ 185,227,000

Liabilities

Long-term debt. curr.	$ 2,865,000	$ 1,769,000
Accts. payable and accruals	34,925,000	35,616,000
Income taxes pay.	5,284,000	6,731,000
Def. inc. taxes	—	7,500,000
Net liab.-discont. oper.	582,000	925,000
Curr. Liabilities	$ 43,656,000	$ 52,541,000
Long-term debt	47,730,000	51,326,000
Other liabilities	2,279,000	1,943,000
Def. inc. taxes	—	3,021,000
Minority interest	—	1,068,000
+Common stock	334,000	334,000
Add. paid-in capital	47,283,000	47,105,000
Retained earnings	5,813,000	30,730,000
Treasury stock	(7,014,000)	(1,859,000)
Deferred comp.	(375,000)	(982,000)
Total Liabilities & Shareholders' Equity	$ 139,076,000	$ 185,227,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	—	63.69
Debt to Equity	1.11	0.70
Working Capital	$ 3,750,000	$ 51,708,000
Current Ratio	1.09	1.98
Shareholders' Equity	$ 45,411,000	$ 75,328,000

Grumman Corporation

1111 Stewart Avenue
Bethpage, New York 11714-3580
(516) 575-0574
FAX: (516) 575-3691

Officers: John O'Brien, chairman & president; Robert G. Freese, vice chairman-finance & treasurer; George L. Brown, v.p.-Washington Relations & EEO; Renso L. Caporali, vice chairman-corp. technology; Natale P. Busi, v.p. & controller; John J. Carroll, v.p.-community affairs; Howard J. Dunn, Jr., v.p.-audit; Thomas L. Genovese, v.p. & general counsel; Weyman B. Jones, v.p.-public affairs; Robert W. Bradshaw, v.p. & secretary; Richard A. Schueing, v.p. & deputy dir.-corp. technology; Peter F. Barry, v.p.-Washington operations; David L. Walsh, v.p.-marketing; Richard G. Anderson, v.p.-technology development; Dean G. Cassell, v.p.-product integrity & environmental protection; Steven Dely, v.p. & asst. to the chairman; Thomas J. McKee, v.p.-business development, Washington operations; Richard A. Milburn, v.p.-international affairs, Washington operations; Dana E. McGee, v.p.-congressional liaison; Thomas J. McGrath, v.p.-corp. mfg.; Edward B. Jacobs, asst. treasurer; William R. Parmentier, Jr., asst. treasurer; William Wachino, Jr., asst. treasurer; Evelyn Capelluto, asst. secretary.

Directors: John O'Brien*, chairman; Kenneth S. Axelson, Ellis L. Phillips, Jr.*, Archie E. Albright*, Robert G. Freese, Lucy W. Benson, John T. Sargent, Orville L. Freeman, Edward W. Brooke, Renso L. Caporali*, Victor Hao Li, Charles Marshall, David L. Luke, III*

* Member of the Executive Committee

Areas of Work: Manufactures military aircraft, spacecraft, commercial aircraft components and subassemblies, sophisticated electronics for aircraft, computerized test equipment and other defense-related products such as airborne surveillance systems, boat and truck bodies, fire apparatus and buses. Also provides services in the field of computer programming.

Divisions:

Aircraft Systems Division
Allied Division
Corporate Services Division
Data Systems Division
Electronics Systems Division
Melbourne Systems Division
Space Station Program Support Division
Space Systems Division
Technical Services Division

Subsidiaries:

Grumman Aerospace Corporation
Grumman Allied Industries, Inc.
Grumman Data Systems Corporation
Grumman Credit Corporation
Paumanock Development Corporation

Tachonics Corporation
Plainsboro, New Jersey
Designs and manufactures integrated circuits using gallium arsenide.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia, Boston, Tokyo

Ticker Symbol: GQ

Number of Employees:

1989	28,900	1986	32,400
1988	32,000	1985	32,177
1987	33,700		

Plant Footage:

1989	N.A.	1987	14,487,000
1988	15,099,000 sq. ft.	1986	13,914,000

N.A.-Not Available

Sales & Earnings

	Net Sales *	Net Income
1989	$ 3,558,820,000	$ 67,264,000
1988	3,648,892,000	86,465,000
1987	3,375,260,000	35,650,000
1986	3,501,911,000	78,690,000
1985	3,098,865,000	81,535,000

	No. of Com. Shares	Earn. per Share #
1989	32,966,991	$ 1.91
1988	32,720,816	2.50
1987	32,664,916	0.94
1986	32,603,690	2.32
1985	29,146,887	2.65

* Including other income; of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Aerospace	$ 2,532,547	$ 2,643,086
Electronics systems	445,805	514,378
Special vehicles	399,370	380,682
Information and other svcs.	589,568	544,272
Corp. items & eliminations	(408,470)	(433,526)
Total	$ 3,558,820	$ 3,648,892

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	1.00	—	
1987	1.00	—	—
1986	1.00	—	—
1985	1.00	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 817,671,000	$ 24.80
1988	782,169,000	23.90
1987	727,414,000	22.27
1986	721,882,000	22.14
1985	603,354,000	20.70

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 3,506,348	$ 3,591,308
Other income	52,472	57,584
Total income	$ 3,558,820	$ 3,648,892
Cost of sales	3,249,359	3,317,830
Expenses	108,070	115,703
Interest expense	105,327	84,894
Income before taxes	$ 96,064	$ 130,465
Income taxes	28,800	44,000
Net Income	$ 67,264	$ 86,465

* Included in Costs and Expenses, Depreciation and Amortization: $112,402,000 in 1989 and $113,854,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 19,764	$ 19,264
Market. securities	42,095	30,631
Accts. receiv., net	709,560	801,953
*Inventories	1,028,924	862,634
Prepaid expenses	48,187	35,077
Current Assets	$ 1,848,530	$ 1,749,559
#Fixed assets	539,207	587,408
Long-term receiv.	44,016	60,335
Invest. & other assets	159,309	168,683
Total Assets	$ 2,591,062	$ 2,565,985

Liabilities
(000's)

	1989	1988
Short-term debt	$ 102,789	$ 96,188
Accts. payable	263,857	276,538
Accrued payroll	96,491	77,652
Income taxes	154,700	99,553
Prog. payments & customer deposits	21,943	31,889
Other curr. liabilities	119,796	158,011
Curr. Liabilities	$ 759,576	$ 739,831
Long-term debt	846,423	802,078
Def. inc. taxes	46,069	106,646
Other liab.	83,762	95,175
+ Preferred stock:		
Redeemable	37,479	40,000
Non-redeemable	82	86
++ Common stock	316,859	311,223
Treasury stock	(929)	(337)
Restricted stock	(19,874)	(20,356)
Retained earnings	521,615	491,639
Total Liabilities & Shareholders' Equity	$ 2,591,062	$ 2,565,985

* At lower of cost (average, FIFO and LIFO) or realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value. Redeemable preferred, $2.80 cumulative; non-redeemable, $0.80 convertible.
++ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	2.74	3.63
%Net Income to Sales	1.92	2.41
%Net Income to Equity	8.23	11.05
Sales to Inventories	3.41	4.16
Debt to Equity	1.16	1.15
Working Capital	$ 1,088,954,000	$ 1,009,728,000
Current Ratio	2.43	2.36
Shareholders' Equity	$ 817,753,000	$ 782,255,000

GTE Corporation

One Stamford Forum
Stamford, Connecticut 06904
(203) 965-2000
FAX: (203) 965-2277

Officers: James L. Johnson, chairman & chief exec. officer; Charles R. Lee, president & chief operating officer; Edward C. Schmults, sr. v.p.-external affairs & gen. counsel; Nicholas L. Trivisonno, sr. v.p.-finance; Edward C. MacEwen, v.p.-corporate communications; Bruce Carswell, sr. v.p.-human resources & administration; Samuel F. Shawhan, Jr., v.p.-government affairs; Bruce E. Haddad, v.p. & controller; James Murphy, v.p. & treasurer; Timothy P. Murphy, v.p.-investor relations & financial adm.; John C. Redmond, v.p.-research & engineering & pres.-GTE Laboratories; Marianne Drost, corp. secretary; Donald A. Mitchell, v.p.-planning & development; John P.Z. Kent, v.p.-taxes; D. Otis Wolkins, v.p.-quality services.

Directors: James R. Barker, T. Justin Moore, Jr., Sandra O. Moose, Richard W. Jones, James W. Walter, James L. Johnson, Edwin L. Artzt, Edward H. Budd*, James L. Ketelsen*, Russell E. Palmer*, Robert D. Storey, George V. Grune, Roger W. Stone, Bruce Carswell, Charles R. Lee, Michael T. Masin.

* Member of the Executive Committee

Areas of Work: GTE has three core businesses: telecommunications, lighting products and precision materials. In telecommunications, the corporation provides local telephone service in portions of 31 states, two Canadian provinces and the Dominican Republic. Telecommunications systems and services and Sylvania lighting products and precision materials are marketed in the United States and 41 other countries.

Divisions:

GTE Telephone Operations
Provides local phone service to more than 14 million customers in portions of 31 states and two foreign countries.

GTE Mobile Communications
Mobile cellular telecommunications products and services; radio paging service and products; and air-to-ground communications.

GTE Government Systems
Command, control, communications and intelligence systems; electronic defense systems; communication switching and information systems.

GTE Information Services
Information marketing and networking via telephone directories; applications software; network services and system integration.

GTE Spacenet
Operates a nationwide satellite communications system.

AG Communications Systems
Develops, manufactures, and markets advanced digital central office switching systems in a joint venture with AT&T.

GTE's Lighting Business
Manufactures more than 6000 types of Sylvania lamps; automotive lighting products, lamp fixtures and lighting components.

GTE Precision Materials
Manufactures metal, plastic, ceramic and other precision-engineered materials; specialty and refractory metals; high-purity chemicals and electronic assemblies.

GTE Laboratories
Basic and applied research in communications, lighting, and precision materials.

Transfer Agents(s):

GTE Shareholder Services Incorporated
P.O. Box 37
North Quincy, Massachusetts 02171

State Street Bank and Trust Company
61 Broadway
New York, New York 10004

State Street Bank and Trust Company
P.O. Box 5003
Boston, Massachusetts 02107

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam, Basel, Geneva, Lausanne, Zurich, Paris, Tokyo

Ticker Symbol: GTE

Number of Employees:

1989	158,000
1988	159,000
1987	161,000
1986	160,000
1985	175,000

Sales & Earnings

	Revenues & Sales ‡ (000's)	Net Income (000's)
1989	$ 17,424,360	$ 1,417,270
1988	16,459,852	1,224,681
1987	15,421,030	1,118,817
1986	15,111,528	1,184,312
1985	14,371,659	(161,091)

	No. of Com. Shares #	Earn. per Share #
1989	329,649,000	$ 4.16
1988	328,589,000	3.58
1987	329,171,000	3.29
1986	326,309,000	3.53
1985	312,455,000	—

(Loss)
‡ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 2.80	—	—
1988	2.60	—	
1987	2.48	—	—
1986	2.20	—	3-for-2
1985	2.08	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity + (000's)	Equity Per Share ‡
1989	$ 7,934,644	$ 24.02
1988	8,126,514	24.91
1987	7,759,259	23.83
1986	7,663,121	23.22
1985	6,830,195	21.49

+ After allowing for no par preferred stock at stated value and $50 par value preferred stock at par.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues and Sales:		
Telephone oper.	$ 12,459,314	$ 11,685,979
Other oper.	4,965,046	4,773,873
Total income	$ 17,424,360	$ 16,459,852
Costs & expenses:		
Telephone oper.	9,620,303	8,967,887
Other oper.	4,614,827	4,440,412
Interest expense	898,864	913,558
Eq. in loss of U.S. Sprint	—	125,131
Other expense	226,304	171,902
Income bef. taxes	$ 2,064,062	$ 1,840,962
Income taxes	646,792	616,281
Net Income	$ 1,417,270	$ 1,224,681

* Included in Costs and Expenses, Depreciation: $2,621,334,000 in 1989 and $2,559,090,000 in 1988.

Assets

(000's)

As of Dec. 31	1989	1988
Cash & temp. invest.	$ 395,802	$ 306,979
Receiv., net	3,191,091	2,893,661
*Inventories	1,416,118	1,263,934
Deferred tax benefits	307,884	266,232
Other curr. assets	286,402	881,101
Current Assets	$ 5,597,297	$ 5,611,907
#Fixed assets	23,700,219	22,986,886
Investments & other assets	2,688,980	2,505,133
Total Assets	$ 31,986,496	$ 31,103,926

Liabilities
(000's)

Short-term oblig.	$ 1,049,857	$ 1,757,738
Accts. payable	1,918,604	1,514,144
Accrued taxes	708,325	622,751
Dividends payable	271,787	244,084
Advance billings	239,531	227,546
Accrued interest	233,397	237,373
Other curr. liab.	1,281,675	1,266,439
Curr. Liabilities	$ 5,703,176	$ 5,870,075
Long-term debt	10,909,397	9,704,710
Reserves & deferred credits	5,624,976	5,734,015
Minority interest in. eq. of subsid.	1,070,302	861,821
+Mand. redempt. pref. stock	275,958	301,958
No par preferred stock	456,010	491,443
+Preferred stock	12,033	13,390
++Common stock	35,19[illegible]	34,929
Add. paid-in capital	5,348,840	5,067,310
Retained earnings	4,428,072	3,978,219
For. curr. trans. adjust.	(11,036)	(16,665)
Guaranteed ESOP oblig.	(700,000)	—
Treasury stock	(1,166,429	(937,279)
Total Liabilities & Shareholders' Equity	$ 31,986,496	$ 31,103,926

* At lower of cost (average or FIFO) or market.
# Less accumulated depreciation.
+ $50 par value.
++ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Total Income	11.85	11.18
%Net Income to Total Income	8.13	7.44
%Net Income to Equity	16.87	14.19
Debt to Equity	1.42	1.33
Shareholders' Equity	$ 8,402,687,000	$ 8,631,347,000

GTI Corporation

9191 Towne Centre Drive
Suite 310
San Diego, California 92122
(619) 578-3111
FAX: (619) 546-0568

Officers: Cyril Newnham, chairman of the board & acting chief exec. officer; Gary L. Luick, president & chief operating officer; John C. Brittain, v.p., & president-Electronics Group; Remo A. Ionni, v.p., & president-Circuits Group; Richard C. Roessler, v p., controller & secretary; Phillip L. Naylor, v.p., & president-Distribution Group.

Directors: Cyril Newnham, chairman; William S. Ivans, John C. Brittain, Remo A. Ionni, Charles R. Collins, Phillip L. Naylor, Roy C.G. Cotterill, Gary L. Luick.

Areas of Work: Manufactures a variety of electronic and electronic component parts, circuit boards and processing equipment. Principal products include glass-to-metal seals, welded metal leads, rolled pins, die stamped, etched flexible and etched rigid circuit boards, and electronic component processing equipment.

Divisions:

Circuits Division
P.O. Box 217
Leesburg, Indiana 46538
(219) 453-3261

Manufactures die stamped printed circuits with its major markets being the automotive industry.

Electronics Division
R.D. 2, P.O. Box 2096
Hadley, Pennsylvania 16130
(412) 253-3161

Produces a line of two and three piece welded leads and filaments, straight cut lead and rolled pins, intricate metal forms, headed and formed leads, semiconductor leads, wire welds, welded cap and assemblies and lamp leads.

GTI - Ireland, Ltd.
Industrial Estates
Abbeyfeale
County Limerick, Republic of Ireland

Manufactures two piece welded diode leads.

Electronic Supply Corporation
1099 West La Cadena Drive
Riverside, California 92501
(714) 787-9220

Distributes electronic components, specialized wire and cable products and electromechanical devices, and provides value added assembly services.

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: GTI

Number of Employees:

1989	450	1986	343
1988	454	1985	283
1987	N.A.		

N.A. - Not Available.

Plant Footage:

1989 .... 129,400 sq. ft. 1988 129,400

Sales & Earnings

	Revenues	Net Income
1989	$ 41,390,000	$ 1,969,000
1988	32,602,000	1,864,000
1987	20,698,000	1,213,000
1986	16,372,000	(3,639,000)
1985	16,920,000	(679,000)

	No. of Com. Shares	Earn. per Shares †
1989	5,007,775	$ 0.29
1988	4,998,775	0.29
1987	5,638,775	0.23
1986	3,461,775	—
1985	3,486,727	—

(Loss)
† Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1989	1988
Electronic & elec. components	$ 14,136,000	$ 13,744,000
Circuit boards	7,864,000	7,086,000
Distribution products	19,420,000	11,772,000
Total	$ 41,390,000	$ 32,602,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 17,473,000 ‡	$ 3.49
1988	15,680,000 ‡	3.14
1987	16,944,000	3.00
1986	7,020,000	2.03
1985	10,341,000	2.99

‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended Dec. 31	1989	1988
Net revenues	$ 41,390,000	$ 32,602,000
Cost of revenues	30,246,000	24,217,000
Expenses	8,669,000	6,606,000
Interest expense	27,000	47,000
Interest income	(366,000)	(389,000)
Other income	(135,000)	(51,000)
Income bef. taxes	$ 2,949,000	$ 2,172,000

Income taxes	980,000	385,000
Eq. in earn. of affil.	—	(77,000)
Net Income	$ 1,969,000	$ 1,864,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,270,000 in 1989 and $1,193,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,828,000	$ 1,582,000
Marketable secur.	2,000	700
Receiv., net	5,133,000	5,414,000
*Inventories	5,824,000	6,492,000
Prepaid expenses	242,000	284,000
Current Assets	$ 17,027,000	$ 14,472,000
#Fixed assets	4,745,000	4,629,000
Investments	—	1,500,000
Goodwill	7,412,000	7,602,000
Total Assets	$ 29,184,000	$ 28,203,000

Liabilities

Long-term debt, curr.	$ 130,000	$ 182,000
Accts. payable	1,890,000	2,551,000
Accruals	1,338,000	1,281,000
Accrued inc. taxes	71,000	67,000
Curr. Liabilities	$ 3,429,000	$ 4,081,000
Long-term debt	—	130,000
Other liabilities	172,000	202,000
+Preferred stock	8,110,000	8,110,000
++Common stock	226,000	226,000
Add. paid-in capital	17,087,000	17,065,000
Retained earnings	2,055,000	369,000
Treasury stock	(2,703,000)	(2,703,000)
Cum. trans. adj.	808,000	723,000
Total Liabilities & Shareholders' Equity	$ 29,184,000	$ 28,203,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; $35.00 cumulative convertible.
++ $0.04 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.12	6.66
%Net Income to Sales	4.76	5.72
%Net Income to Equity	7.70	7.84
Debt to Equity	0.01	0.01
Working Capital	$ 13,598,000	$ 10,391,000
Current Ratio	4.97	3.55
Shareholders' Equity	$ 25,583,000	$ 23,790,000

Hadco Corporation

10 Manor Parkway
Salem, New Hampshire 03079
(603) 898-8000

Officers: Horace H. Irvine, II, chairman; Jon F. Kropper, president & chief exec. officer; Dana R. Schofield, vice president; Patrick Sweeney, vice president; Rodney P. DeRego, v.p. & controller; Andrew E. Lietz, v.p.-sales; James C. Hamilton, clerk.

Directors: Horace H. Irvine, II, chairman of the board; Jon F. Kropper, David F. Hawkins, J. Stanley Hill, John O. Irvine, William P. Meehan, Robert F. Collings, Frank W. Haydu, III, Oliver O. Ward.

Areas of Work: Manufactures multilayer and dense two-sided printed circuits which it markets to the computer, telecommunications, and other electronic industry segments.

Divisions:

Sales & Marketing
Salem, New Hampshire 03079

Backplane Division
Salem, New Hampshire 03079

Derry Division
Derry, New Hampshire 03038

Owego Division
Owego, New York 13827

Tech Center One
Salem, New Hampshire 03079

Tech Center Two
Watsonville, California 95076

Subsidiary:

Circuit Image Industries, Inc.
Hudson, New Hampshire 03051

Transfer Agent(s);

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDCO (NASDAQ)

Number of Employees:

1989	1,642	1986	1,322
1988	1,657	1985	1,215
1987	1,528		

Plant Footage:

1989	309,700 sq. ft.	1986	261,000
1988	261,000	1985	310,000
1987	261,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 155,846,000	$ 4,818,000
1988	144,344,000	4,488,000
1987	124,255,000	2,596,000
1986	98,358,000	(9,698,000)
1985	86,665,000	342,000

	No. of Com Shares ‡	Earn. per Share ‡
1989	12,060,359	$ 0.40
1988	12,327,841	0.36
1987	12,053,423	0.22
1986	9,008,678	—
1985	11,056,808	0.03

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 44,117,000	$ 3.66
1988	38,219,000	3.10
1987	35,184,000 †	2.92
1986	32,137,000 †	3.57
1985	41,631,000 †	3.77

† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended	10/28/89	10/29/88
Net sales	$ 155,846	$ 144,344
Cost of sales	126,390	118,360
Expenses	19,278	17,141
Interest income	(534)	(471)
Interest expense	2,682	1,913
Income before taxes	$ 8,030	$ 7,401
Income taxes	3,212	2,913
Net Income	$ 4,818	$ 4,488

* Included in Costs and Expenses, Deprecation and Amortization: $11,853,000 in 1989 and $11,339,000 in 1988.

Assets
(000's)

As of	10/28/89	10/29/88
Cash & short-term invest.	$ 19,640	$ 8,493
Accts. receiv., net	16,340	17,252
*Inventories	10,316	9,864
Prepaid expenses	815	1,593
Current Assets	$ 47,111	$ 37,202
#Fixed assets	41,896	39,866
Other assets	571	1,092
Total Assets	$ 89,578	$ 78,160

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 7,008	$ 6,416
Accts. payable	11,268	9,005
Accrued payroll	5,306	4,759
Other accruals	2,609	1,742
Curr. Liabilities	$ 26,191	$ 21,922
Long-term debt & cap. lease oblig.	17,812	16,466
Deferred inc. taxes	1,458	1,553
+Common stock	548	542
Add. paid-in capital	23,096	22,775
Deferred compensation	(3,732)	(4,485)
Retained earnings	24,205	19,387
Total Liabilities & Shareholders' Equity	$ 89,578	$ 78,160

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.15	5.13
%Net Income to Sales	3.09	3.11
%Net Income to Equity	10.92	11.74
Sales to Inventories	15.11	14.63
Debt to Equity	0.56	0.60
Working Capital	$ 20,920,000	$ 15,280,000
Current Ratio	1.80	1.70
Shareholders' Equity	$ 44,117,000	$ 38,219,000

Halliburton Company

3600 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201-3391
(214) 978-2600
FAX: (214) 978-2611

Officers: Thomas H. Cruikshank, president & chief exec. officer; Dale P. Jones, president; Lester L. Coleman, exec. v.p.-finance & corp. development; Guy T. Marcus, v.p.-investor relations; C. Robert Fielder, v.p. & treasurer; Robert M. Kennedy, v.p.-legal; Jack R. Skinner, v.p.-taxes; James R. Flow, controller; Susan S. Keith, v.p. & corp. secretary; Karen S. Stuart, v.p.-administration; Jerry H. Blurton, v.p. & controller.

Directors: Anne L. Armstrong, Thomas H. Cruikshank, James W. Glanville, Guy T. McBride, Jr., E.L. Williamson, Edwin L. Cox, T. Louis Austin, Jr., Robert L. Crandall, F. James McDonald, The Rt. Hon. Lord Clitheroe, Robert W. Campbell, Dale P. Jones.

Divisions and Subsidiaries:

Oil Field Services Group

Halliburton Services Division
2700 Post Oak Boulevard
Suite 2000
Houston, Texas 77056
(713) 840-2700
Oil field services and products.

Otis Engineering Corporation
2601 Beltline Road
Carrolton, Texas 75006
Specialized equipment and services for the completion, production and control of oil and gas wells.

Halliburton Logging Services, Inc.
2135 Highway 6 South
Houston, Texas 77242
(713) 496-8100
Computerized wireline well logging and jet perforating services and equipment.

Halliburton Resource Management Division
1525 Elm Street
Dallas, Texas 75201
(214) 954-6100
Renting equipment for compression, gas processing and production.

Halliburton Reservoir Services Division
5950 North Course Drive
Houston, Texas 77072
(713) 561-1450
Well testing and reservoir evaluation services.

Halliburton Geophysical Services, Inc. (60%-owned)
6909 Southwest Freeway
Houston, Texas 77074
(713) 774-7561
Geophysical contracting services.

Jet Research Center, Inc.
2001 South I-35
Arlington, Texas 76009-9775
(817) 783-5111
Explosive products and services for petroleum, marine and defense/aerospace industries.

Sierra Geophysics, Inc.
11255 Kirkland Way
Kirkland, Washington 98033
(206) 822-5200

Halliburton Geodata Ltd.
Howe Moss Drive
Kirkhill Industrial State
Dyce, Aberdeen, Scotland
224-770-355
Measurement-while-drilling and surface data logging services.

Engineering and Construction Services Group

Brown & Root, Inc.
4100 Clinton Drive
Houston, Texas 77020
(713) 676-3011
Engineering and construction services.

Brown & Root (U.K.) Ltd.
B&R House
125 High Street
Colliers Wood
London SW19 2JR, England
441-540-8300

NUS Corporation
910 Clopper Road
P.O. Box 6032
Gaithersburg, Maryland 20877
(301) 258-6000
Engineering and environmental consulting services for industry, utilities and government.

Enterprise Building Corporation
P.O. Box 42600
St. Petersburg, Florida 33742
(813) 573-2885

Taylor International, Inc.
4100 Clinton Drive
Houston, Texas 77020
(504) 394-6000
International undersea engineering, construction and salvage operations.

Halliburton Environmental Technologies, Inc.
5950 North Course Drive
Houston, Texas 77272
(713) 561-1556

Insurance Services Group

Highlands Insurance Company
600 Jefferson Street
Houston, Texas 77002
(713) 659-5541
Casualty, property, surety, and marine insurance.

Health Economics Corporation
1300 West Mockingbird Lane
Dallas, Texas 75247
(214) 905-4400
Health care cost containment services.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Central Guaranty Trust Company
88 University Avenue
Toronto, Ontario M5J IT8 Canada

NCNB Texas National Bank
Corporate Trust
P.O. Box 2964
Dallas, Texas 75283-1402

Stock Exchange(s): New York, London, Toronto, Zurich, Geneva, Basel, Lausanne.

Ticker Symbol: HAL

Number of Employees:

1989	65,500	1986	46,909
1988	61,400	1985	65,000
1987	48,600		

Sales & Earnings

	Net Revenues (000's)	Net Income † (000's)
1989	$ 5,661,200	$ 135,000
1988	4,838,700	93,600
1987	3,830,300	48,100
1986	3,909,000	(515,200)
1985	5,103,100	(339,300)

	No. of Com. Share ‡	Earn. per Share † ‡
1989	106,500,000	$ 1.27
1988	105,700,000	0.89
1987	105,900,000	0.45
1986	106,100,000	—
1985	108,600,000	—

(Loss)
† Including extraordinary loss of $368,012,000 ($2.85 per share) in 1985.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Oil field services	$ 1,705,400	$ 1,489,500
Oil field products	742,600	683,500
Engineering & construc. serv.	2,858,300	2,152,300
Insurance services	354,900	513,400
Total	$ 5,661,200	$ 4,838,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	1.00	—	
1987	1.00	—	—
1986	1.20	—	—
1985	1.80	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 2,119,100	$ 19.90
1988	2,107,200	19.80
1987	2,080,500	19.76
1986	2,150,200	20.30
1985	2,859,900	26.32

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net revenues	$ 5,661,200	$ 4,838,700
Cost of revenues	5,180,600	4,451,200
Expenses	241,400	234,700
Interest expense	36,900	59,400
Interest income	(47,300)	(51,000)
For. curr. losses (gains)	6,800	(4,600)
Other income	(3,200)	(2,500)
Income bef. taxes	$ 246,000	$ 151,500
Income taxes	112,100	68,800
Minority interest	200	(1,900)
Cum. effect of acct. change	(1,300)	(9,000)
Net Income	$ 135,000	$ 93,600

* Included in Costs and Expenses, Depreciation and Amortization: $244,600,000 in 1989 and $225,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 401,800	$ 344,600
Short-term securities	666,900	1,105,000
Mortg. loans	—	114,800
Other investments	10,100	28,700
Accts. & notes receiv., net	1,198,600	1,095,600
Unbilled work on uncompleted contracts	138,800	117,500
Refundable income taxes	55,100	55,100
*Inventories	3,286,400	382,300
Equity in & adv. to related comp.	188,700	244,500
#Fixed assets	923,100	964,400
Other assets	301,500	269,700
Total Assets	$ 4,263,000	$ 4,722,200

Liabilities
(000's)

Notes payable	$ 1,700	$ 17,300
Accts. payable	429,200	377,300
Advance billings	175,200	114,600
Income taxes payable	107,700	81,400
Unearned insur. premiums	66,700	52,600
Res. for insur. losses	493,800	1,040,000
Income taxes	78,100	144,500
Long-term debt	198,800	199,600
Minority interest	26,300	28,500
Other liab.	566,400	559,200
+ Common stock	298,300	298,400
Add. paid-in capital	130,500	129,900
Cum. trans. adjust.	(8,700)	11,500
Net unreal. gains (losses) on insur. subsid. invest.	400	(200)
Retained earnings	2,080,800	2,052,300
Treasury stock	(382,200)	(384,700)
Total Liabilities & Shareholders' Equity	$ 4,263,000	$ 4,722,200

* At cost which is not in excess of market. Inventories of sales items owned by foreign subsidiaries and inventories of operating supplies and parts are generally valued at average cost. All others at LIFO.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Revenues	4.35	3.13
%Net Income to Revenues	2.38	1.93
%Net Income to Equity	6.37	4.44
Debt to Equity	0.09	0.10
Shareholders' Equity	$ 2,119,100,000	$ 2,107,200,000

Hamilton Digital Controls, Inc.

2118 Beechgrove Place
Utica, New York 13501-1798
(315) 797-2370
FAX: (315) 797-2309

Officers: Edward Zacaroli, chairman of the board & secretary; Robert I. Trachtenberg, president & chief exec. officer; Ralph M. Risley, treasurer, v.p.-finance & asst. secretary.

Directors: Edward Zacaroli, chairman; Eugene J. Hickey, Harold Julian, Charles Gaetano, Robert E. Trachtenberg, William Randon.

Areas of Work: Engaged in the design and manufacture of magnetic recording heads for use by original equipment manufacturers of computer systems and related peripheral equipment.

Subsidiaries:

Hamilton Digital Controls Properties, Inc.

Mobydata, Inc.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): NASDQ

Ticker Symbol: HDIG

Number of Employees:

1989	221	1936	108
1988	193	1985	212
1987	125		

Plant Footage:

1989	49,000 sq. ft.	1986	49,000
1988	49,000	1985	49,000
1987	49,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 7,796,167	$ 1,116,461
1988	5,605,781	502,960
1987	4,296,907	105,777
1986	3,412,911	(670,559)
1985	5,225,436	(636,317)

	No. of Com. Shares #	Earn. per Share #
1989	1,871,388	$ 0.60
1988	1,803,466	0.28
1987	1,704,860	0.06
1986	1,673,390	—
1985	1,353,727	—

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 1,163,831	$ 0.62
1988	43,411	0.02
1987	(480,184)	—
1986	(590,461)	—
1985	69,714	0.05

(Deficiency)
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended April 30	1989	1988
Net sales	$ 7,796,167	$ 5,605,781
Cost of sales	5,444,917	4,018,651
Expenses	798,994	762,070
Interest expense	416,695	398,090
Income bef. taxes	$ 1,135,561	$ 426,970
Income taxes	16,000	—
Cum. effect of acct. change	--	(75,990)
Net Income	$ 1,119,561	$ 502,960

* Included in Costs and Expenses, Depreciation and Amortization: $237,308 in 1989 and $247,996 in 1988.

Assets

As of April 30	1989	1988
Cash	$ 256,284	$ 78,535
Receiv., net	1,361,390	1,130,705
* Inventories	2,039,701	1,715,066
Prepaid expenses	66,690	53,874
Current Assets	$ 3,724,065	$ 2,978,180
#Fixed assets	1,681,870	1,842,411
Other assets	268,495	39,549
Total Assets	$ 5,674,430	$ 4,860,140

Liabilities

Notes payable	$ 2,852	$ 1,126,257
Long-term debt, curr.	491,837	491,549
Accts. payable	255,409	261,562
Accrued payroll	287,221	232,475
Other accruals	34,844	37,897
Curr. Liabilities	$ 1,072,163	$ 2,149,740
Long-term debt	2,770,436	2,531,989
Long-term liab.	135,000	135,000
+ Redeem. pref. stock	533,000	—
++ Common stock	43,881	43,850
Add. paid-in capital	2,353,699	2,352,871
Retained earnings (deficit)	(1,233,749)	(2,353,310)
Total Liabilities & Shareholders' Equity	$ 5,674,430	$ 4,860,140

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value; convertible cumulative.
++ $0.02 1/2 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.57	—
%Net Income to Sales	14.36	8.97
Sales to Inventories	3.82	3.27
Debt to Equity	2.81	—
Working Capital	$ 2,651,902	$ 828,440
Current Ratio	3.47	1.39
Shareholders' Equity	$ 1,163,831	$ 43,411

Hanson Plc

1 Grosvenor Place
London SW1X 7JH, England
(01) 245-1245
FAX: (01) 235-3455

. Lord Hanson, chairman; Derek N. Rosling, vice chairman; Martin G. Taylor, vice chairman; Brian A. Hellings, Alan Hagdrup, Charles H. Price, II, Rudolph I. J. Agnew, Anthony G. L. Alexander, John G. Raos, Christopher G. F. Harding, Derek C. Bonham, Graham Dransfield, associate director; Malcolm J. Ablett, associate director; Stephen Park, associate director; David H. Clarke, associate director; A.R. Cotton, associate director; P.J. Harper, associate director; R.S. Fulford, associate director; Y.M. Newbold, secretary.

Areas of Work: Hanson PLC is a British American industrial management company. Its subsidiary and associated companies are principally in basic industries. Activities include, in Britain: Ever Ready batteries, London Brick, Butterly Brick, ARC crushed stone products, Crabtree Electrical and Imperial Tobacco. In the USA and overseas: SCM Chemicals, Kaiser Cement, Grove Crane, Ames Tools, Farberware cookware and Jacuzzi whirlpool baths and spas.

Subsidiaries:

CONSUMER-U.K.

Imperial Tobacco Limited
P.O. Box 244
Southville BS99 7UJ Bristol
(0272) 636636
Cigarettes, cigars, pipe and hand-rolling tobacco.

British Ever Ready Limited
93 Burleigh Gardens
Southgate, London N14 5AQ
(01) 882-8661
Dry cell batteries.

CONSUMER-U.S.A.

Smith Corona Corporation
65 Locust Avenue
New Canaan, Connecticut 06840
(203) 972-1471
Portable typewriters and word processors.

Hanson Housewares Group
3 Speen Street
Suite 350
Framingham, Massachusetts 01701
(508) 872-6514
Farberware cookware and small kitchen appliances; Tucker plastic housewares; Rexair vacuum cleaners; Spartus clocks; Teters artificial floral products.

Hanson Recreation and Leisure Group
4 Brighton Road
Clifton, New Jersey 07015
(201) 777-9198
Tommy Armour golf equipment and apparel; Universal physical conditioning and weight training equipment; Valley pool tables and electronic dart games; Bear archery equipment; Ertl die cast toys and model kits.

BUILDING PRODUCTS-U.K.

London Brick Company Limited
Marston Road, Marston Morteyne
Bedford MK43 OPP England
(0525) 405858
Fletton bricks.

Butterley Brick Limited
Wellington Street
Ripley, Derby DE5 3DZ
(0773) 570570
Non-fletton bricks.

ARC Limited
The Ridge
Chipping Sodbury, Bristol

BUILDING PRODUCTS-U.S.A.

Hanson Lighting Group
1251 Doolittle Drive
San Leandro, California 94577
(415) 562-3500
Fluorescent and incandescent lighting products.

Kaiser Cement Corporation
1333 N. California Blvd.
Walnut Creek, California 94596
(415) 256-3050
Cement and aggregate products.

Hanson Building Products
Camden and Broadway Avenues
Parkersburg, West Virginia 26101
(304) 424-3000
Windows, building materials, garden and industrial hand tools.

BUILDING PRODUCTS (AUSTRALIA)

Renison Goldfields Consolidated Limited
Gold Fields House
1 Alfred Street
Sydney NSW 2000 Australia

INDUSTRIAL-U.K.

Lindustries Limited
Southgate House
Stevenage, Herts SG1 1HG
(0438) 365461
Electrical, automotive, engineering and gas products.

Hanson Amalgamated Industries
Southgate House
Stevenage, Herts SG1 1HG
(0438) 728387
Textile products and construction services.

Hanson Engineering
Southgate House
Stevenage, Herts SG1 1HG, England
(0438) 742225
Engineering and heating appliance companies including Berry Magicoal and Robinson Willey.

INDUSTRIAL-U.S.A.

SCM Chemicals Inc.
7 Saint Paul Street, Suite 1010
Baltimore, Maryland 21202
(301) 783-1120
Pigments and related chemicals.

Weber Aircraft Inc.
1300 East Valencia Drive
Fullerton, California 92631
(714 449-3000
Aircraft seating and interior galleys and lavatories.

Hanson Office Products Dealer Group
35 Melanie Lane
Whippany, New Jersey 07981
(201) 386-8900
Furniture and office supply distribution.

Gold Fields Mining Corporation
230 Park Avenue
New York, New York 10169
(212) 880-5250

Grove Manufacturing Company
1565 Buchanan Trail E.
Shady Grove, Pennsylvania 17256
(717) 597-8121
Mobile hydraulic and truck mounted cranes; aerial access equipment.

Transfer Agent(s)*:

Citibank, N.A.
ADR Department
111 Wall Street, 5th Floor
New York, New York 10043
* American Depositary Receipt.

Stock Exchange(s): London, New York*, Zurich, Basel, Geneva, Paris

Ticker Symbol: HAN (New York)* *Trades as an American Depositary Receipt (ADR). Each ADR represents 5 Hanson ordinary shares.

Number of Employees:

1989	90,000
1988	105,000
1987	120,000

Sales & Earnings

	Net Sales (000's)	Net Income + (000's)
1989	£ 6,998,000	£ 1,101,000
1988	7,396,000	1,121,000
1987	6,682,000	572,000
1986	4,312,000	365,000
1985	2,674,000	204,000

	No. of Com. Share ‡	Earn. per Share ‡ #
1989	3,926,262,686	18.4p
1988	3,826,437,207	15.9
1987	3,577,232,668	14.0
1986	N.A.	10.7
1985	N.A.	7.9

£ - pound sterling
N. A. - Not Available.
+ Including extraordinary gains of £ 288,000,000 in 1989, 445,000,000 in 1988 and £ 5,000,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
# Fully diluted.

Revenues by Line of Business
(000's)

	1989	1988
U.K.:		
Consumer	£ 2,785,000	£ 2,710,000
Industrial	502,000	378,000
Building products	458,000	307,000
U.S.A.:		
Consumer	1,113,000	935,000
Industrial	1,404,000	1,115,000
Building products	736,000	597,000
Discontinued operations	—	1,354,000
Total	£ 6,998,000	£ 7,396,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	8.5p	—	—
1988	6.8	—	
1987	4.4	—	—
1986	3.2	—	—
1984	1.8	—	—

Common Stock Equity

	Total Equity # (000's)	Equity Per Share ‡
1989	£ 1,046,000	26.6p
1988	2,192,000	57.3
1987	1,730,000	48.4
1986	1,439,000	—

After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Sept. 30	1989	1988
Net sales	£ 6,998,000	£ 7,396,000
Changes in inventories	(19,000)	115,000
Raw materials	3,842,000	4,301,000
Employment costs	1,070,000	1,169,000
Depreciation	124,000	127,000
Other charges	1,109,000	888,000
Share of profits of rel. cos	(14,000)	(6,000)
Interest expense	330,000	287,000
Interest income	(508,000)	(365,000)
Income before taxes	£ 1,064,000	£ 880,000
Income taxes	251,000	204,000
Net Income	£ 813,000	£ 676,000
Extraord. gain	288,000	445,000
Net Income & extraord. gain	£ 1,101,000	£ 1,121,000

Assets
(000's)

As of Sept. 30	1989	1988
Cash	£ 5,266,000	£ 3,818,000
*Stocks	988,000	1,071,000
Debtors	1,157,000	1,227,000
Listed investments	43,000	42,000
Current Assets	£ 7,454,000	£ 6,158,000
Investments	957,000	178,000
#Fixed assets	2,414,000	1,476,000
Total Assets	£ 10,825,000	£ 7,812,000

Liabilities
(000's)

Debenture loans	£ 23,000	£ 102,000
Bank loans & overdrafts	1,121,000	774,000
Trade creditors	508,000	457,000
Other creditors	1,379,000	934,000
Dividends	238,000	196,000
Curr. Liabilities	£ 3,269,000	£ 2,463,000
Convertible loans	976,000	930,000
Debenture loans	651,000	226,000
Bank loans	3,344,000	968,000
Provisions for liabilities	1,499,000	886,000
+Preferred stock	40,000	147,000
++Common stock	984,000	957,000
Add. paid-in capital	256,000	145,000
Revaluation reserve	165,000	218,000
Retained earnings (deficit)	(359,000)	872,000
Total Liabilities & Shareholders' Equity	£ 10,825,000	£ 7,812,000

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 5.75% convertible cumulative redeemable.
++ 25p par value.

Statistical Summary

% Income bef. Taxes to Sales	15.20	11.90
% Net Income to Sales	11.62	9.14
% Net Income to Equity	74.86	28.90
Sales to Inventories	7.08	6.91
Debt to Equity	5.63	1.28
Working Capital	£4,185,000,000	£3,695,000,000
Current Ratio	2.28	2.50
Shareholders' Equity	£1,086,000,000	£2,339,000,000

Harris Corporation

1025 W. NASA Boulevard
Melbourne, Florida 32919
(407) 727-9100
FAX: (407) 727-9344

Officers: John T. Hartley, Jr., chairman, president & chief exec. officer; Frank J. Lewis, sr. v.p.; Jon E. Cornell, sr. v.p. & sector executive; James R. Oyler, sr. v.p.; Guy W. Numann, president-communications sector; Phillip W. Farmer, president-electronic systems sector; Bryan R. Roub, sr. v.p.-finance; Robert E. Sullivan, sr. v.p.-administration; David S. Wasserman, v.p.-taxes; Herbert N. McCauley, v.p.-information management; Fayette Brown, III, v.p.-corp. development; Ricardo A. Diaz, v.p.-manufacturing programs; W. Peter Carney, v.p.-corp. relations; Nick E. Heldreth, v.p.-human resources; John A. Hubner, v.p. and controller; Robert W. Fay, v.p. & treasurer; O.W. Hudson, secretary; Wasley E. Cantrell, president-Semiconductor Sector.

Harris Corporation

Directors: John T. Hartley, chairman of the board, Joseph A. Boyd, chairman of the exec. committee; Ralph D. DeNunzio, C. Jackson Grayson, Jr., Lester E. Coleman, Walter F. Raab, James W. Wilcock, George I. Meisel, Gene W. Milner, Robert Cizik.

Areas of Work: Designs, manufactures, installs and maintains equipment and systems for the communication and information processing industry. Products include satellite communications systems, radio and TV transmitters, two-way radios, data terminals and controllers, microwave transmission systems, digital PABX system, medium-scale computers, utility control systems, integrated circuits, automated testing equipment, newspaper editing and composing systems, printing presses and binding equipment.

Divisions and Subsidiaries:

INFORMATION SYSTEMS SECTOR

Controls and Composition
407 John Rodes Boulevard
Melbourne, Florida 32901
(407) 242-4000

Electronic systems and terminals for news editing and advertising preparation, computerized phototypesetters, hot-metal linecasters, photo discs and type matrices, utility, pipeline, railroad and industrial control systems; data acquisition and processing equipment.

Computer Systems
2101 Cypress Creek Road
Fort Lauderdale, Florida 33309
(305) 974-1700

High-performance super-minicomputers, super-microcomputers, engineering workstations, peripherals and applications software.

Data Communications
16001 Dallas Parkway
P.O. Box 3399
Dallas, Texas 75248-3399
(214) 386-2000

Interactive-display, remote-batch, distributed-processing and network-communications systems.

Customer Support Division
16001 Dallas Parkway
Dallas, Texas 75248-3399
(214) 386-2000

Service and support of Harris and third-party information products.

Information Systems International
1025 W. NASA Boulevard
Melbourne, Florida 32919
(407) 727-9100

International sales, service and support of Harris Information Systems Sector products.

Lanier Business Systems
2310 Parklake Drive, N.E.
Atlanta, Georgia 30345
(404) 270-2000

Document-processing systems, legal and medical office systems.

Lanier Voice Products
1700 Chantilly Drive, N.E.
Atlanta, Georgia 30324
(404) 329-8000

Portable, desktop and large-capacity central analog and digital dictation systems; private branch exchanges; electronic key systems; voice-logging and recording systems; facsimile-transmission products.

Scientific Calculations, Inc.
7796 Victor-Mendon Road
Fishers, New York 14453
(716) 924-9303

Design-automotion systems for printed-circuit boards and integrated circuits.

COMMUNICATIONS SECTOR

Broadcast
3200 Wisman Lane
Quincy, Illinois 62305
(217) 222-8200

Radio and TV transmitters, studio equipment, automation systems and antennas, color TV cameras, video links, digital video systems.

Allied Broadcast Equipment Corporation
P.O. Box 1487
Richmond, Indiana 47375
(317) 962-8596

Worldwide distributor and systems installer for more than 300 studio and transmission equipment manufacturers for the radio broadcast industry.

Video Systems
960 Linda Vista Avenue
Mountain View, California 94043
(415) 969-9100

Video signal processing equipment, digital still-store systems and video graphics workstation products.

Digital Telephone Systems
300 Bel Marin Keys Blvd.
Novato, California 94949
(415) 382-5000

Digital voice and data network switches, PBXs and telephone sets.

Dracon
809 Calle Plano
Camarillo, California 93010
(805) 987-9511

Power supplies, equipment racks, and other auxiliary telephone equipment; voice-paging systems; telephone lineman's test instruments and tools.

Farinon
1691 Bayport Avenue
San Carlos, California 94070
(415) 594-3000

Farinon Electric: Microwave radios and multiplexers for voice, video and data communications systems. Farinon Video: Microwave studio transmitter links and electronic news-gathering links for broadcast and cable TV systems.

RF Systems
1680 University Avenue
Rochester, New York 14610
(716) 244-5830

Long range and short range two-way radio equipment and systems, mobile and fixed-base, for commercial, industrial, government and military applications.

Long Range Radio
1680 University Avenue
Rochester, New York 14610
(716) 244-5830

HF, VHF and UHF radio equipment and systems for military and commercial users.

SEMICONDUCTOR SECTOR

Military and Aerospace
P.O. Box 883
Melbourne, Florida 329022
(407) 724-7000

Standard, semicustom and custom products for military and government use.

Worldwide Manufacturing
P.O. Box 883
Melbourne, Florida 32902
(407) 724-7000

Manufacturing services for semiconductor divisions.

Commercial Products Group
P.O. Box 883
Melbourne, Florida 32902
(407) 724-7000

Signal Processing Products Division

Analog linear and data conversion products for signal-processing and control applications.

Digital Products Division

Digital microprocessors, microcontrollers, and logic for commercial markets.

Discrete Power Products Division

Power MOSFETs, COMFETs, rectifiers, and bipolar discrete devices.

Harris Microwave Semiconductor
1530 McCarthy Blvd.
Milpitas, California 95035

Gallium arsenide microwave devices and integrated circuits; hybrid microwave amplifiers.

GOVERNMENT SYSTEMS SECTOR

Washington Operations
Harris Parkway Bldg.
1201 E. Abingdon Drive, Suite 500
Alexandria, Virginia 22314
(703) 836-4600

Systems engineering and technical assistance for the government information technology market.

Government Communication Systems
P.O. Box 91000
Melbourne, Florida 32902
(407) 727-4000

Terrestrial and satellite communication systems/networks for command, control and intelligence systems for the Department of Defense and other government agencies.

Government Information Systems
P.O. Box 98000
Melbourne, Florida 32902
(407) 984-5500

Ground-based custom systems and software designed to collect, store, retrieve, process, analyze, display and distribute information of all types.

Government Support Systems
6801 Jericho Turnpike
Syosset, New York 11791
(516) 677-2000

Computer-controlled electronic test, maintenance, logistic and simulation systems for military aircraft, ships and ground vehicles.

Government Aerospace Systems
P.O. Box 94000
Melbourne, Florida 32902
(407) 727-4000

Custom command, control, communication and intelligence aerospace systems for Department of Defense and NASA.

Government Electronic Systems
P.O. Box 96000
Melbourne, Florida 32902
(407) 727-4000

Custom-integrated multimedia telecommunication networks utilizing state-of-the-art communications and information- processing technologies.

Government Support Systems
12249 Science Drive
Orlando, Florida 32826
(407) 380-3700

Application software for automated test equipment; simulation and training systems for military operation and maintenance training.

HARRIS SERVICES SECTOR

Harris Data Services Corporation
1201 E. Abingdon Drive, Suite 500
Alexandria, Virginia 22314
(703) 739-1885

On-site software engineering support and systems development for the U.S. government and its prime contractors.

Harris Technical Services Corporation
1201 E. Abingdon Drive, Suite 310
Alexandria, Virginia 22314
(703) 739-1990

Repair and calibration of electronic/avionics systems and support equipment for the U.S. government.

Transfer Agent(s):

The AmeriTrust Company N.A.
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, Boston, Midwest, Pacific, Philadelphia

Ticker Symbol: HRS

Number of Employees:

1989	35,100	1986	26,700
1988	22,600	1985	31,000
1987	24,300		

Plant Footage:

1989	N. A.	1988	7,494,000 sq. ft.

N. A.- Not Available

Sales & Earnings

	Revenues +	Net Income
1989	$ 2,213,649,000	$ 21,316,000
1988	1,798,093,000	100,472,000
1987	1,797,341,000	84,502,000
1986	1,907,267,000	59,609,000
1985	1,967,073,000	80,287,000

	No. of Com. Shares #	Earn. per Share #
1989	38,700,000	$ 0.50
1988	40,172,000	2.50
1987	41,206,000	2.05
1986	40,255,000	1.48
1985	40,198,000	2.00

+ Includes sales, rental and services.
# Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Electronic systems	$ 914,600	$ 932,900
Semiconductor	542,300	300,100
Communications	441,400	377,700
Lanier Worldwide	315,300	187,400
Total	$ 2,213,600	$ 1,798,100

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.88	—	—
1988	0.88	—	
1987	0.88	—	—
1986	0.88	—	—
1985	0.88	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 947,204,000	$ 24.45
1988	972,171,000	24.94
1987	984,271,000	23.64
1986	900,841,000	22.37
1985	867,484,000	21.56

Income Account *
(000's)

Year ended June 30	1989	1988
Revenues	$ 2,213,649	$ 1,798,093
Interest income	25,458	25,688
Equity income	15,339	19,995
Total revenues	$ 2,254,446	$ 1,843,776
Cost of revenues	1,483,944	1,199,821
Expenses	565,140	481,612
Interest expense	36,570	17,889
Other expense	1,633	16,955
Income before taxes	$ 167,159	$ 127,499
Income taxes	50,994	39,123
Inc.-cont. oper.	$ 116,165	$ 88,376
Loss-discont. oper.	(94,849)	(22,989)
Cum. effect of acct. change	—	35,085
Net Income	$ 21,316	$ 100,472

* Included in Costs and Expenses, Depreciation: $115,631,000 in 1989 and $97,366,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash	$ 100,742	$ 38,910
Short-term securities	87,826	53,793
Accts. & notes receiv., net	582,804	316,939
Unbilled costs	250,052	257,424
* Inventories	419,397	169,228
Deferred inc. taxes	92,738	—
Current Assets	$ 1,533,559	$ 836,294
# Fixed assets	616,156	415,875
Other assets	408,103	365,948
Total Assets	$ 2,557,818	$ 1,618,117

Liabilities
(000's)

	1989	1988
Short-term debt	$ 470,969	$ 25,648
Long-term debt, curr.	23,383	6,584
Accts. payable	169,454	88,526
Compensation	156,490	89,582
Other accruals	213,696	67,549
Advance payments	50,772	65,832
Unearned leasing & serv. inc.	85,035	24,529
Income taxes	68,006	75,401
Curr. Liabilities	$ 1,237,805	$ 443,651
Deferred inc. taxes	58,170	45,264
Long-term debt:		
7 3/4% Deben.	16,050	16,050
10 3/8% Deben.	150,000	—
11 1/2% Deben.	110,950	110,950
Other debt	37,639	30,031
+Common stock	38,735	41,765
Add. paid-in capital	154,038	165,539
Retained earnings	752,024	841,232
Cum. trans. adj.	2,407	7,627
Treasury stock	—	(83,992)
Total Liabilities & Shareholders' Equity	$ 2,557,818	$ 1,618,117

* At lower of cost (average and FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Net Income to Equity	2.25	10.33
Debt to Equity	[illegible].85	0.19
Working Capital	$ 295,754,000	$ 392,643,000
Current Ratio	1.24	1.89
Shareholders' Equity	$ 947,204,000	$ 972,171,000

Hathaway Corporation

350 Interlocken Parkway
Suite 200
Broomfield, Colorado 80021-3426
(303) 460-1500
FAX: (303) 460-1517

Officers: Eugene E. Prince, chairman of the board, president & chief exec. officer; A. J. Hintze, vice chairman; Richard D. Smith, v.p.-finance, asst. secretary, treasurer & chief financial officer; Richard G. Snow, Jr., secretary & corp. counsel; Herbert G. Franson, asst. treasurer & corp. controller; James D. Campbell, v.p. & pres.-Hathaway Systems Corporation; Ronald J. Kupferman, v.p. & pres.-Global Software, Inc..

Directors: A. J. Hintze, Bruce B. Brundage, Eugene E. Prince, Marvin J. Fein, Harold Y. Sampson, Chester H. Clarridge.

Areas of Work: Designs, produces and markets computer software, electro-mechanical components, electronic systems and instrumentation for world markets. In addition, the Company provides leasing of small ticket office automation equipment primarily for the Colorado market.

Divisions and Subsidiaries:

Motor Products Division
Owasso, Oklahoma

Hathaway Systems Corporation

Hathaway/Denver
Denver, Colorado

Data Capture Technology
Tulsa, Oklahoma

Hathaway Peripherals Hong Kong Ltd.
Hong Kong

Global Software, Inc.
Raleigh, North Carolina

Beta Products, Inc.
Dallas, Texas

Inlab, Inc.
Broomfield, Colorado

Computer Optical Products, Inc.
Chatsworth, California

Systems Northwest, Inc.
Seattle, Washington

First Centennial Leasing Corp.
Denver, Colorado

Transfer Agent(s):

Bank of America, N.T. & S.A.
Corporate Agency Service Center
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HATH (NASDAQ)

Number of Employees:

1989	497	1986	485
1988	512	1985	609
1987	N.A.		

Plant Footage:

1989	154,600 sq. ft.	1986	221,582
1988	154,600	1985	167,951
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales †	Net Income
1989	$ 49,321,000	$ (1,397,000)
1988	46,021,000	(3,558,000)
1987	45,751,000	1,173,000
1986	42,004,000	(47,000)
1985	36,449,000	4,005,000

	No. of Com. Shares x	Earn. per Share #
1989	4,243,785	$ —
1988	4,049,766	—
1987	3,882,744	0.30
1986	3,764,530	—
1985	3,564,331	1.09

(Loss)
† Of continuing operations only.
x Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Measuring & record. equip.	$ 19,144,000	$ 20,929,000
Computer software	23,340,000	20,062,000
Motion control prods.	6,837,000	5,030,000
Total	$ 49,321,000	$ 46,021,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.10	—	
1987	0.10	—	—
1986	0.20	—	—
1985	0.133	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 9,579,000	$ 2.26
1988	10,921,000	2.70
1987	14,223,000	3.66
1986	13,301,000	3.53
1985	12,662,000	3.55

+ Adjusted to reflect stock split.

Income Account *

Year ended Jun. 30	1989	1988
Revenues		
Software prods. & svcs.	$ 23,340,000	$ 20,062,000
Electronic prods.	25,981,000	25,959,000
Total revenues	$ 49,321,000	$ 46,021,000
Cost of revenues	18,193,000	19,601,000
Expenses	28,855,000	27,309,000
Amort. of software acq.	2,772,000	2,326,000
Interest exp.	1,445,000	1,705,000
Interest income	(478,000)	(283,000)
Other expense	131,000	256,000
Loss bef. taxes	$ (1,597,000)	$ (4,893,000)
Income taxes	—	(1,571,000)
Loss-cont. oper.	$ (1,597,000)	$ (3,322,000)
Inc.(loss)-discont. oper.	200,000	(236,000)
Net Loss	$ (1,397,000)	$ (3,558,000)

* Included in Costs and Expenses, Depreciation: $4,120,000 in 1989 and $3,902,000 in 1988.

Assets

As of Jun. 30	1989	1988
Cash	$ 7,708,000	$ 3,968,000
Marketable securities	11,000	309,000
Receiv., net	7,243,000	9,141,000
*Inventories	3,210,000	3,726,000
Income tax refund	—	634,000
Prepaid expenses	178,000	200,000
Current Assets	$ 18,350,000	$ 17,978,000
#Fixed assets	9,899,000	11,672,000
Investments held for resale	387,000	2,865,000
Cost in exc. of assets acq.	2,589,000	2,757,000
Other assets	1,247,000	1,563,000
Total Assets	$ 32,472,000	$ 36,835,000

Liabilities

Notes payable	$ 350,000	$ 486,000
Long-term debt, curr.	1,654,000	2,132,000
Accts. payable	2,606,000	2,487,000
Accruals	2,672,000	3,682,000
Warranty reserve	335,000	837,000
Curr. Liabilities	$ 7,617,000	$ 9,624,000
Long-term debt	9,239,000	11,148,000
Def. software serv. inc.	6,037,000	5,142,000
+Common stock	100,000	100,000
Add. paid-in capital	7,378,000	6,570,000
Loan receiv.-Lev. ESOP	(500,000)	—
Retained earnings	2,965,000	4,362,000
Treasury stock	(364,000)	(111,000)
Total Liabilities & Shareholders' Equity	$ 32,472,000	$ 36,835,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Debt to Equity	1.17	1.26
Working Capital	$ 10,733,000	$ 8,354,000
Current Ratio	2.41	1.87
Shareholders' Equity	$ 9,579,000	$ 10,921,000

HCC Industries

16311 Ventura Boulevard
Suite 1180
Encino, California 91436-2146
(818) 995-4131
FAX: (818) 995-1328

Officers: Jack Goldfarb, chairman of the board; Andrew Goldfarb, chief exec. officer & president; Michael Pelta, vice chairman & pres.-Hermetic Sealing Group; Christopher H. Bateman, v.p. & chief financial officer; Fredric Horowitz, secretary; Eugene E. Harrison, asst. secretary.

Directors: Jack Goldfarb, chairman; Michael Pelta, Andrew Goldfarb, Robert Goldstein, Eugene E. Harrison, Jerry Grundhofer.

Areas of Work: Designs, manufactures and markets precision, hermetically sealed electronic connection devices for aerospace and military electronics, oil and gas, medical electronics, and test and measurement industries.

Subsidiaries:

Hermetic Seal Corporation
4232 Temple City Boulevard
Rosemead, California 91770

HCC Industries International
Beavern House
Victoria Road
Swindon, Wiltshire, United Kingdom

Glasseal Products, Inc.
485 Oberlin Avenue
Lakewood, New Jersey 08701

Sealtron, Inc.
9705 Reading Road
Cincinnati, Ohio 45215

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HCCI (NASDAQ)

Number of Employees:

1989	454
1988	740
1987	880
1986	933
1985	790

Plant Footage:

1989	126,000 sq. ft.
1988	121,000
1987	168,400
1986	276,000
1985	276,000

Sales & Earnings

	Net Sales †	Net Income +
1989	$ 26,584,000	$ 993,000
1988*	30,579,000	(6,876,000)
1987	35,552,000	(2,375,000)
1986	32,554,000	10,000
1985	25,262,000	1,039,000

	No. of Com. Shares	Earn. per Share +‡
1989	1,668,810	$ 0.59
1988*	1,668,810	—
1987	1,775,700	—
1986	1,775,700	0.01
1985	1,773,200	0.57

(Loss)
* 53 weeks.
† Of continuing operations only.
+ Including extraordinary gain of $404,000 ($0.24 per share) in 1989 and extraordinary losses of $95,000 in 1988 and $326,000 ($0.18 per share) in 1985.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.06	—	—
1986	0.06	—	—
1985	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 2,650,000	$ 1.59
1988	1,657,000	0.99
1987	8,851,000	4.98
1986	11,332,000	6.38
1985	11,405,000	6.24

Income Account *

Year ended	4/1/89	4/2/88
Net sales	$ 26,584,000	$ 30,579,000
Cost of sales	18,402,000	23,728,000
Expenses	5,491,000	7,487,000
Loss - writedown of prod.line	—	5,466,000
Interest income	(607,000)	(622,000)
Inc. (loss) bef. taxes	$ 1,496,000	$ (7,456,000)
Income taxes (credit)	694,000	(685,000)
Inc. (loss)-cont. oper.	$ 802,000	$ (6,781,000)
Loss-discont. oper.	(213,000)	—
Net Income (Loss)	$ 589,000	$ (6,781,000)
Extraord. items	404,000	(95,000)
Net Income (Loss) & extraord. items	$ 993,000	$ (6,876,000)

* Included in Costs and Expenses, Depreciation and Amortization: $833,000 in 1989 and $1,057,000 in 1988.

Assets

As of	4/1/89	4/2/88
Cash	$ 4,775,000	$ 3,530,000
Accts. receiv., net	4,277,000	3,508,000
*Inventories	2,938,000	3,126,000
Notes receiv.	208,000	447,000
Net assets - discont. oper.	444,000	406,000
Net assets - prod. lines held for sale	—	500,000
Current Assets	$ 12,642,000	$ 11,517,000

#Fixed assets	5,993,000	6,129,000
Other assets	3,042,000	3,425,000
Total Assets	$ 21,677,000	$ 21,071,000

Liabilities

Accts. payable	$ 865,000	$ 1,074,000
Accruals	4,890,000	4,912,000
Inc. taxes pay.	315,000	608,000
Curr. Liabilities	$ 6,070,000	$ 6,594,000
Long-term debt & cap. lease oblig.	12,957,000	12,820,000
+Common stock	167,000	167,000
Add. paid-in capital	2,325,000	2,325,000
Retained earnings (deficit)	158,000	(835,000)
Total Liabilities & Shareholders' Equity	$ 21,677,000	$ 21,071,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	22.23	—
Sales to Inventories	9.05	9.78
Debt to Equity	4.89	7.74
Working Capital	$ 6,572,000	$ 4,923,000
Current Ratio	2.08	1.75
Shareholders' Equity	$ 2,650,000	$ 1,657,000

Healthdyne, Inc.

1850 Parkway Place, 12th Floor
Marietta, Georgia 30067
(404) 423-4500
FAX: (404) 423-4640

Officers: Parker H. Petit, chairman of the board & chief exec. officer; J. Terry Dewberry, president & chief operating officer; J. Brent Burkey, sr. v.p., general counsel & corporate secretary; Donald R. Millard, v.p.-finance, chief financial officer & treasurer.

Directors: Parker H. Petit, chairman of the board; J. Terry Dewberry, Brian D. Hogg, J. Paul Yokubinas, William J. Gresham, Jr., Alexander H. Lorch, Carl E. Sanders, Morris S. Weeden.

Areas of Work: Provides a diversified line of home health care services and products through three major divisions. Its majority owned Home Nutritional Services, Inc. subsidiary provides home infusion therapies and related services; its Technologies Division manufactures medical products for use in the home; and its wholly-owned Perinatal Services subsidiary provides home pregnancy monitoring and related home obstetrical care.

Division:

Healthdyne Technologies

Subsidiaries:

Home Nutritional Services, Inc. (66% owned)

Perinatal Services, Inc.

Professional Medical Services, Inc.

Delta Medical Industries

Transfer Agent(s):

Trust Company Bank
Stock Transfer Dept.
P.O. Box 4625
Atlanta, Georgia 30302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDYN (NASDAQ)

Number of Employees:

1989 1,219   1988 1,200

Plant Footage:

1989 . . . . 77,000 sq ft.   1988 77,000

Sales & Earnings

	Revenues +	Net Income †
1989	$ 103,350,000	$ 7,052,000
1988	70,715,000	(5,471,000)
1987	48,250,000	(5,500,000)
1986	79,177,000	(21,258,000)
1985	91,566,000	938,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	15,861,000	$ 0.43
1988	14,790,000	—
1987	14,745,000	—
1986	14,517,000	—
1985	14,475,000	0.07

(Loss)
† Including extraordinary gains of $2,685,000 ($0.17 per share) in 1989 and $235,000 ($0.01 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 78,000,000	$ 4.92
1988	67,589,000	4.57
1987	73,410,000	4.98
1986	79,287,000	5.46
1985	100,617,000	6.95

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 103,350	$ 70,715
Cost of revenues	49,072	33,423
Expenses	47,515	38,049
Interest income	(1,096)	(1,712)
Interest expense	3,726	827
Gain on sale of subsid stock	(45,528)	—
Other expense	2,473	2,010
Inc. (loss) bef. taxes	$ 47,188	$ (1,882)
Income taxes	18,285	350
Inc. (loss)-cont. oper.	$ 28,903	$ (2,232)
Loss-discont. oper.	(24,536)	(3,239)
Net Income (Loss)	$ 4,367	$ (5,471)
Extraord. gain	2,685	—
Net Income (Loss) & extraord. gain	$ 7,052	$ (5,471)

* Included in Costs and Expenses, Depreciation and Amortization: $6,329,000 in 1989 and $6,074,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 27,429	$ 2,820
Marketable securities	9,780	—
Accts. receiv., net	46,272	36,600
Notes receivable	653	1,097
Other receivables	1,287	1,394
*Inventories	9,410	7,332
Prepaid expenses	1,588	1,700
Assets held for sale	9,097	1,491
Current Assets	$ 105,516	$ 52,434
Market. secur.	—	9,665
#Fixed assets	9,869	18,1[illegible]
Notes receivable	15	375
Exc. of cost over assets acq.	—	18,091
Intangibles	1,218	1,369
Other assets	1,107	1,358
Total Assets	$ 117,725	$ 101,491

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 536	$ 810
Accts. payable	6,954	6,833
Accruals	11,654	6,110
Curr. Liabilities	$ 19,144	$ 13,753
Long-term debt & cap. lease oblig.	3,891	15,969
Other liabilities	981	1,162
Minority interest	15,709	—
+Redeem. pref. stock	—	3,018
+Common stock	156	148
Add. paid-in capital	128,694	126,787
Retained earnings (deficit)	(50,850)	(57,902)
Unreal. loss on eq. secur.	—	(954)
Treasury stock	—	(490)
Total Liabilities & Shareholders' Equity	$ 117,725	$ 101,491

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	5.60	—
Debt to Equity	0.06	0.25
Working Capital	$ 86,372,000	$ 38,681,000
Current Ratio	5.51	3.81
Shareholders' Equity	$ 78,000,000	$ 67,589,000

HEI Inc.

P.O. Box 5000
1495 Steiger Lake Lane
Victoria, Minnesota 55386
(612) 443-2500
FAX: (612) 443-2668

Officers: Robert Pitel, president & chief executive officer; Eugene W. Courtney, exec. v.p. & chief operating officer; Dale Nordquist, v.p.-sales; Brenda C. Williams, asst. secretary.

Directors: Robert Pitel, Eugene W. Courtney, William R. Franta, Alan K. Ruvelson, Lyman E. Wakefield, Jr., Kenneth A. Schoen.

Areas of Work: Manufactures electronic components and systems which convert light into electronic signals through hybrid circuitry - a sophisticated electronic assembly process which allows for miniaturization of circuit elements. Products include custom hybrid circuits, optical scanners for gaming, education and government, light pens for computer-aided design and interactive video tasks, optical switches and assemblies for typesetting systems, computer peripherals and industrial equipment.

Divisions:

Hybrid Electronics Division
Scanning Systems Division
Optoelectronics Division

Joint Venture:

SFT, Inc.
Markets computer-controlled measurement systems to federal and local governments and to North American utilities.

HEI Inc.

Transfer Agent(s):

Norwest Bank, Minneapolis, N.A.
P.O. Box 738
161 North Concord Exchange
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HEII (NASDAQ)

Number of Employees:

1989	142	1986	138
1988	148	1985	191
1987	120		

Plant Footage:

1989	34,600 sq. ft.	1987	34,600
1988	34,600		

Sales & Earnings

	Net Sales	Net Income †
1989	$ 8,293,683	$ (978,144)
1988	8,012,345	461,026
1987	6,430,643	25,321
1986	7,174,524	(2,922,420)
1985	6,835,501	(874,109)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	1,546,798	$ —
1988	1,592,204	0.29
1987	1,421,695	0.02
1986	1,420,708	—
1985	1,420,027	—

(Loss)
† Including extraordinary gains of $194,000 ($0.12 per share) in 1988 and $8,000 ($0.01 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,954,088	$ 1.26
1988	2,925,306	1.84
1987	2,458,193	1.73
1986	2,430,856	1.71
1985	5,350,519	3.77

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Aug. 31	1989	1988
Net sales	$ 8,293,683	$ 8,012,345
Cost of sales	6,171,440	4,829,592
Expenses	2,922,854	2,550,477
Interest expense	255,867	231,747
Other income	(93,720)	(80,497)
Eq. in loss of affiliate	23,886	—
Inc. (loss) bef. taxes	$ (986,644)	$ 481,026
Income taxes (credit)	(8,500)	214,000
Net Income (Loss)	$ (978,144)	$ 267,026
Extraord. gain	—	194,000
Net Income (Loss) & extraord. gain	$ (978,144)	$ 461,026

* Included in Costs and Expenses, Depreciation and Amortization: $454,840 in 1989 and $428,849 in 1988

Assets

As of Aug. 31	1989	1988
Cash & temp. invest.	$ 1,483	$ 52,385
Accts. receiv., net	1,395,671	1,412,812
* Inventories	1,485,647	1,846,571
Inc. tax ref. receiv.	5,488	—
Prepaid expenses	117,717	85,757
Current Assets	$ 3,006,006	$ 3,397,525
Invest. in affil.	56,114	—
# Fixed assets	1,922,833	2,135,719
Other assets	55,083	62,680
Total Assets	$ 5,040,036	$ 5,595,924

Liabilities

Note payable	$ 770,000	$ —
Long-term debt, curr.	320,600	336,900
Cap. lease oblig., curr.	30,738	—
Accts. payable	531,440	525,291
Accruals	373,871	473,578
Curr. Liabilities	$ 2,026,649	$ 1,335,769
Long-term debt	1,014,249	1,334,849
Cap. lease oblig.	45,050	—
+Common stock	71,676	71,419
Add. paid-in capital	4,113,644	4,106,975
Retained earnings (deficit)	(2,231,232)	(1,253,088)
Total Liabilities & Shareholders' Equity	$ 5,040,036	$ 5,595,924

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	6.00
% Net Income to Sales	—	3.33
% Net Income to Equity	—	9.13
Sales to Inventories	5.58	4.34
Debt to Equity	1.12	0.57
Working Capital	$ 979,357	$ 2,061,756
Current Ratio	1.48	2.54
Shareholders' Equity	$ 1,954,088	$ 2,925,306

HEICO Corporation

3000 Taft Street
Hollywood, Florida 33021
(305) 987-6101
FAX: (305) 987-8228

Officers: William A. Peluso, president & chief operating officer-Jet Avion Corp.; Thomas S. Irwin, sr. v.p., treasurer & chief financial officer; Frank W. Enderlin, president & chief operating officer-NAPCO Scientific Company; Larry R. Myrick, pres. & chief operating officer-Heinicke Scientific Inc. & Hotpack Corp..

Directors: Alan Schriesheim, Laurans A. Mendelson, Jacob T. Carwile, Carl A. Jacobson, Samuel L. Higginbottom, Albert Morrison, Jr., Paul F. Manieri, Guy C. Shafer.

Areas of Work: Engaged in two principal business segments: laboratory products and engine products and services. Germfree Laboratories Incorporated, NAPCO Scientific Company, Hotpack Corporation and Rush Enterprises, Inc., all wholly owned subsidiaries, principally design and manufacture controlled environment and biological safety equipment for use in clinical, educational, government and industrial scientific laboratories. Jet Avion Corportion, a wholly owned subsidiary, is engaged in the manufacture of parts for gas turbine engines, primarily jet aircraft engines and also provides custom brazing and heat treating services. LPI Corporation, also a wholly owned subsidiary, manufactures jet engine and other defense industry-related components. Engaged in the manufacture and sale of aviation and defense products and the manufacture and sale of laboratory products.

Subsidiaries:

Jet Avion Corporation
3000 Taft Street
Hollywood, Florida 33021
(305) 987-6101

LPI Corporation
2104 West Commercial Boulevard
Fort Lauderdale, Florida 33309
(305) 485-2136

Produces jet and other turbine engine components; supplies milling, machining and fabrication services to the aviation and defense industries.

Transfer Agent(s):

First Interstate Bank of Oregon, N.A.
Portland, Oregon

Mellon Securities Trust Co.
Fort Lee, New Jersey

Stock Exchange(s): American

Ticker Symbol: HEI

Number of Employees:

1989	500	1986	500
1988	500	1985	400
1987	500		

Plant Footage:

1989	400,000 sq. ft	1986	336,000
1988	400,000	1985	296,000
1987	336,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 26,473,000	$ (4,648,000)
1988	22,925,000	2,486,000
1987	30,518,000	7,612,000
1986	31,686,000	6,330,000
1985	16,163,000	2,701,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,213,355	$ —
1988	3,237,488	0.77
1987	3,166,119	2.40
1986	2,643,743	2.39
1985	2,379,603	1.14

(Loss)
+ Of continuing operation only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.10	—	—
1988	0.07	—	
1987	0.07	—	—
1986	0.07	—	—
1985	0.07	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 36,575,000	$ 11.58
1988	40,992,000	12.97
1987	38,099,000	12.12
1986	17,991,000	7.20
1985	11,466,000	4.63

‡ Adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1989	1988
Net sales & services	$ 26,473,000	$ 22,925,000
Cost of sales	17,239,000	13,600,000
Expenses	5,291,000	5,100,000
Non-recurring charges	2,072,000	—
Interest expense	131,000	173,000
Other income	(751,000)	(788,000)
Income before taxes	$ 2,491,000	$ 4,840,000
Income taxes	770,000	1,608,000
Inc.-cont. oper.	$ 1,721,000	$ 3,232,000
Loss-discont. oper.	(6,369,000)	(746,000)
Net Income (Loss)	$ (4,648,000)	$ 2,486,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,449,000 in 1989 and $1,921,000 in 1988.

Assets

As of Oct. 31	1989	1988
Cash	$ 1,861,000	$ 2,098,000
Short-term invest.	5,982,000	2,786,000
Accts. receiv., net	3,298,000	7,472,000
*Inventories	8,660,000	16,956,000
Prepaid expenses	847,000	906,000
Deferred inc. taxes	832,000	439,000
Net assets-discont. oper.	12,160,000	—
Current Assets	$ 33,640,000	$ 30,657,000
#Fixed assets	9,349,000	15,190,000
Other assets	241,000	309,000
Intangibles	2,943,000	6,719,000
Total Assets	$ 46,173,000	$ 52,875,000

Liabilities

Long-term debt, curr.	$ —	$ 280,000
Accts. payable	1,462,000	1,642,000
Accruals	4,565,000	3,526,000
Income taxes	511,000	266,000
Curr. Liabilities	$ 6,538,000	$ 5,714,000
Long-term debt	1,980,000	5,118,000
Deferred inc. taxes	1,080,000	1,051,000
+Common stock	722,000	722,000
Add. paid-in capital	14,478,000	14,506,000
Retained earnings	29,604,000	34,570,000
Treasury stock	(7,521,000)	(7,518,000)
Note receiv.-ESOP & def. comp.	(708,000)	(1,288,000)
Total Liabilities & Shareholders' Equity	$ 46,173,000	$ 52,875,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.16 2/3 par value.

Statistical Summary

%Net Income to Equity	—	6.06
Sales to Inventories	3.06	1.35
Debt to Equity	0.05	0.13
Working Capital	$ 27,102,000	$ 24,943,000
Current Ratio	5.15	5.37
Shareholders' Equity	$ 36,575,000	$ 40,992,000

Hercules Incorporated

Hercules Plaza
1313 North Market Street
Wilmington, Delaware 19894
(302) 594-5000
FAX: (302) 594-5400

Officers: David S. Hollingsworth, chairman & chief executive officer; Fred L. Buckner, president & chief operating officer; Arden B. Engebretsen, vice chairman & chief financial officer; S. Maynard Turk, v.p. & general counsel; George MacKenzie, v.p. & controller; Alexander L. Searl, v.p. & treasurer; Charles W.K. Gamble, secretary; Daniel F. Desmond, asst. treasurer; Dominick W. DiDonna, asst. controller; James D. Knox, asst. treasurer; Thomas L. Gossage, sr. v.p.; James E. Knox, president-Hercules Engineered Polymers Company; Edward J. Sheehy, president-Hercules Aerospace Company; Eugene D. Crittenden, Jr., sr. v.p.; Thomas L. Gossage, sr. v.p..

Directors: David S. Hollingsworth, chairman; Arden B. Engebretsen, Fred L. Buckner, Eugene D. Crittenden, Jr., Stuart E. Eizenstat, Jerome Jacobson, Robert G. Jahn, Guy T. McBride, Jr., Arthur C. Nielsen, Jr., John R. Petty, Henry A. Schowengerdt, Joan E. Spero, S. Maynard Turk.

Areas of Work: Operates in three industry segments: Aerospace, Specialty Chemicals, and Engineered Products. In the aerospace area, through its wholly owned subsidiary, Hercules Aerospace Company, the Company is engaged principally in the design, development, and manufacture of high-technology products such as solid propellant rocker motors, carbon fiber, composite structures, electromechanical and electronic equipment, and smokeless powders for the defense, aerospace, commercial aircraft, military ordnance, and sport shooting industries.

Subsidiaries:

Hercules Aerospace Company
Hercules Specialty Chemicals Company
Hercules Engineered Polymers Company

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Wachovia Bank & Trust Company, N.A.
P.O. Box 3099
Winston-Salem, North Carolina 27102

Wilmington Trust Company
Wilmington, Delaware 19890

Stock Exchange(s): New York, London, Swiss exchanges

Ticker Symbol: HPC (New York)

Number of Employees:

1988	22,718	1986	25,120
1987	23,152	1985	25,448

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 3,091,669	$ (81,320)
1988	2,802,072	120,435
1987	2,693,003	820,737
1986	2,615,100	226,700
1985	2,587,200	133,200

	No. of Com. Shares	Earn. per Share +
1989	46,500,000	$ —
1988	45,900,000	2.55
1987	48,800,000	14.74
1986	54,800,000	4.02
1985	54,300,000	2.40

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Specialty chemicals	$ 1,246,000	$ 1,306,000
Aerospace	1,061,000	1,052,000
Engineered polymers	386,000	398,000
Other prods.	399,000	46,000
Total	$ 3,092,000	$ 2,802,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.24	—	—
1988	2.00	—	
1987	1.84	—	—
1986	1.72	—	—
1985	1.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 1,897,206	$ 40.80
1988	2,044,500	44.54
1987	2,189,900	44.88
1986	1,703,200	31.11
1985	1,474,201	27.13

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 3,091,669	$ 2,802,072
Cost of sales	2,382,741	2,193,081
Est. contract completion costs	323,000	—
Expenses	504,891	453,786
Nonrecurring expenses	2,330	25,548
Interest expense	43,110	34,190
Other income	(32,840)	(26,646)
Inc. (loss) bef. taxes	$ (131,563)	$ 122,113
Income taxes (credit)	(19,640)	42,866
Eq. in inc. of affil cos.	(15,564)	(41,188)
Cum. effect of acct. change	(15,039)	—
Net Income (Loss)	$ (81,320)	$ 120,435

* Included in Costs and Expenses, Depreciation: $179,306,000 in 1989 and $144,879,000 in 1988.

Assets
(000's)

As of	1989	1988
Cash & cash equiv.	$ 69,818	$ 200,146
Accts. & notes receiv., net	908,767	831,297
*Inventories	555,091	447,070
Current Assets	$ 1,533,676	$ 1,478,513
Investments	389,537	511,273
#Fixed assets	1,416,475	1,164,102
Other assets	313,475	171,406
Total Assets	$ 3,653,163	$ 3,325,294

Liabilities
(000's)

Short-term debt	$ 273,615	$ 80,351
Accts. payable	222,441	201,276
Contract completion costs	122,498	—
Accrued payroll	76,008	79,750
Other accruals	164,411	126,592
Income taxes	59,090	41,317
Current Liabilities	$ 918,063	$ 529,286

Long-term debt	575,655	428,603
Deferred inc. taxes	141,966	200,034
Other liabilities	120,273	122,838
+Common stock	30,049	29,695
Add. paid-in capital	343,287	319,301
Foreign curr. adjust.	42,733	29,519
Retained earnings	2,035,379	2,220,260
Treasury stock	(554,242)	(554,242)
Total Liabilities & Shareholders' Equity	$ 3,653,163	$ 3,325,294

* At lower of cost or market. Domestic investories at LIFO; foreign at average cost.
# Less accumulated depreciation and amortization.
+ $25/48 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	4.36
% Net Income to Sales	—	4.30
% Net Income to Equity	—	5.89
Sales to Inventories	5.57	6.27
Debt to Equity	0.45	0.25
Working Capital	$ 615,613,000	$ 949,227,000
Current Ratio	1.67	2.79
Shareholders Equity	$ 1,897,206,000	$ 2,044,533,000

Hewlett-Packard Company

3000 Hanover Street
Palo Alto, California 94304
(415) 857-1501
FAX: (415) 857-5518

Officers: David Packard, chairman of the board; John A. Young, pres. & chief exec. officer; Dean O. Morton, exec. v.p. & chief operating officer; William E. Terry, exec. vice president-measurement systems; Richard C. Alberding, exec. vice president-marketing & international; John L. Doyle, exec. v.p.-business development; Douglas C. Chance, exec. v.p.-networked systems; Lewis E. Platt, exec. v.p.-computer products; Alfred P. Oliverio, sr. v.p.; James L. Arthur, sr. v.p. & general manager-Worldwide Customer Support; S.T. Jack Brigham, III, v.p.-adm. & gen. counsel; Harold E. Edmondson, v.p. & dir.-corp. mfg.; Franco Mariotti, v.p. & dir.-European operations; Richard A. Hackborn, v.p. & gen. mgr.-Peripherals; Alan D. Bickell, v.p. & dir.-Intercontinental operations; Frederic N. Schwettman, v.p. & general mgr.-Circuit Technology Group; Joel S. Birnbaum, v.p. & gen. mgr.-Information Technology Group; William F. Craven, v.p. & gen. mgr.-Components Group; William G. Parzybok, Jr., v.p. & gen. mgr.-Engineering & Manufacturing Systems Group; Robert P. Wayman, sr. v.p. & chief fin. officer; George F. Newman, Jr., treasurer; Dieter Hoehn, v.p. & gen. mgr.-Analytical Group; Richard W. Anderson, v.p. & gen. mgr.-Microwave and Communications Group; Benjamin L. Holmes, v.p. & gen. mgr.-Medical Products Group; Charles W. Richion, v.p.-U.S. sales operations; D. Craig Nordlund, secretary & associate gen. counsel; Raymond W. Cockingham, controller; Ann O. Baskins, asst. secretary & corp. counsel; Michael C. Leavell, v.p & director-U.S. Field Operations; Willem P. Roelandts, v.p. & gen. mgr.-computer systems group; Edward W. Barnholt, v.p. & gen .mgr.-electronic instruments; Franz Nawratil, v.p. & director-European marketing & sales.

Directors: David Packard, chairman; David Woodley Packard, William R. Hewlett, William E. Terry, Robert J. Glaser, John A. Young, Dean O. Morton, John B. Fery, Harold J. Haynes, Shirley M. Hufstedler, George A. Keyworth, II, T. A. Wilson, Paul F. Miller, Jr., Hicks B. Waldron, Donald E. Petersen, Walter B. Hewlett.

Areas of Work: Through the instrument and components groups, manufactures electronic test and measurement products. These products include microwave semiconductors, light emitting diodes and fiber optic components, logic analyzers, voltmeters, frequency analyzers, power supplies, board testers, plotters, recorders, oscilloscopes, counters, frequency sources, network and signal analyzers, signal generators, automated test equipment, distance measurement instruments, component measurement equipment and microprocessor development systems. Computer and personal computation groups manufacture electronic data products. These products include small to medium scale computer systems for business, scientific and industrial applications, desktop computers, personal computers, personal scientific and business programmable calculators, data terminals, printers and disk and tape memories. The medical products group manufactures medical electronic equipment. These products include continuous monitoring systems for critical care patients, medical data management systems, fetal monitors, electrocardiographs and related interpretive and stress systems, cardiac catheterization laboratory systems, blood gas measuring instruments, ultrasonic imaging systems, cardiac defibrillators and hospital supplies. Products of the analytical instrumentation group include gas chromatographs, liquid chromatographs, mass spectrometers combined with chromatographs, spectrophotometers, laboratory automation systems and integrators.

Divisions and Subsidiaries:

COMPONENTS GROUP

Microwave Semiconductor Division
350 West Trimble Road
San Jose, California 95131
(408) 263-7500
RF (radio frequency) and microwave diodes, microwave transitors, microwave components; bar-code entry products.

Optoelectronics Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-6201
Alphanumeric and LED displays, lamps, light bars and linear arrays.

Optical Communications Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-1501
Fiber-optic and optocouplers.

Southeast Asia Operation
Hewlitt-Packard Malaysia
Phase I, Bayan Lepas Free Trade Zone
Penang, Malaysia
Semiconductor devices; computer memories.

SYSTEMS GROUP

Fort Collins Systems Division
3404 East Harmony Road
Fort Collins, Colorado 80525
(303) 226-3800
Advanced, 32-bit, desktop computers, computers controllers, systems and peripheral equipment for science and engineering.

Boblingen Engineering Operation
Hewlett-Packard GmbH
Federal Republic of Germany
Mechanical computer-aided design software.

Boblingen Computer Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany

Colorado Springs Division
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
(303) 598-1900
General-purpose and high-performance oscilloscopes, including automatic waveform measurement; cathode-ray tube displays; logic analyzers.

Lake Stevens Instrument Division
6330 Marine Drive
Maryville, Washington 98270
(206) 335-2000
Synthesizers and low-frequency spectrum and network analyzers for communications and electronics equipment; waveform generators and dynamic analyzers for electromechanical and mechanical systems.

Fort Collins Engineering Operation
3404 East Harmony Road
Fort Collins, Colorado 80525
(303) 226-3800
Personal technical computer software.

Logic Design Operation
Centennial Annex D-2
Colorado Springs, Colorado 80907-0617
CAD/CAM system design.

Logic Systems Division
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
Logic-development systems for microprocessor and digital products.

ELECTRONIC INSTRUMENTS GROUP

Boblingen Instrument Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Logic signal sources and data generators; plotters and microprocessor development systems.

Colorado Springs Tech Center
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
(303) 598-1900
Analog and digital thick film hybrids for all HP divisions.

YHP Instrument Division
Yokogawa-Hewlett-Packard, Ltd.
9-1, Takakura, Cho
Hachioji-Shi
Toyko 192, Japan
Component and semiconductor measuring instruments and systems (ICR meters, impedance analyzers, semiconductor parameter test systems) for worldwide sales and a variety of other products for the Japanese market.

Loveland Tech Center
815 Fourteenth Street, S.W.
Loveland, Colorado 80537
(303) 667-5000
Analog and digital multimeters, computer-controlled instrument systems (data-loggers, data acquisition systems, components-test instrumentation).

New Jersey Division
150 Green Pond Road
Rockaway, New Jersey 07866
(201) 627-6400
Regulated direct current laboratory and industrial power supplies, OEM (original-equipment manufacturer) modular power supplies, digitally controlled power sources, automatic-test and control-system components.

Santa Clara Division
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300
Electronic counters, digital IC (integrated circuit) testers, microprocessor servicing and training products, waveform recorders (transient analyzers or digital oscilloscopes), digital printers, atomic frequency and time standards, laser measurement systems, temperature and pressure measurement systems.

Santa Clara Tech Center
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300
Integrated circuits, and standard and custom parts, for HP's instrument divisions.

YHP Computer Operation*
Yokogawa-Hewlett-Packard, Ltd.
9-1, Takakura-Cho
Hachioji-Shi
Tokyo 192, Japan
* Part of YHP Instrument Division

MICROWAVE AND COMMUNICATIONS INSTRUMENT GROUP

Colorado Telecommunications Division
5060 Centennial Boulevard
Colorado Springs, Colorado 80933
(303) 593-8700
Transmission-test instruments for testing digital and analog parameters of voice and data channels; data-communication network test equipment (protocol analyzers and digital and analog test instruments).

Queensferry Telecommunications Division
Hewlett-Packard Ltd.
South Queensferry
West Lothian EH30 9TG Scotland
Dedicated test and measuring instruments and systems for telecommunications in the areas of microwave radio, FDM (frequency division multiplex), voice/data, PCM/TDM (pulse code modulation/time-division multiplex); transmission-impairment measuring sets and sweep oscillators.

Queensferry Microwave Operation
South Queensferry
West Lothian EH30 9TG Scotland
Products for mobile communications, RF (radio frequency) communications, and cellular radio.

Stanford Park Division
1501 Page Mill Road
Palto Alto, California
(415) 857-1500
Microwave signal generators and synthesizers; noise-figure meters; power meters; coaxial and waveguide measuring equipment.

Spokane Division
1620 Signal Drive TAF C-34
Spokane, Washington 99220
(509) 922-4001
RF (radio frequency) signal generators and synthesizers, RF measuring receivers and RF transceiver test equipment.

Signal Analysis Division
1212 Valley House Drive
Rohnert Park, California 94928
(707) 525-1400
Radio-frequency and microwave spectrum analyzers and related signal analysis equipment.

Network Measurements Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400
RF (radio frequency) and microwave-network analyzers (vector and scalar); sweep oscillators and synthesized sweep-signal generators.

Microwave Technology Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400
High frequency transistors and diodes, SAW (surface-acoustical-wave) devices, YIG (ytrium-iron-garnet) spheres; integrated circuits, thick and thin film circuits and microwave packages, all for HP divisions.

INFORMATION NETWORK GROUP

Roseville Networks Division
8000 Foothills Blvd.
Roseville, California 95678
(916) 786-8000
Measurement and control automation products, HP computer I/O (input/output) cards and data communications products.

Information Networks Division
19420 Homestead Road
Cupertino, California 95014
(408) 725-8111
Data-communications hardware and software; business software tools to speed program development; automation systems and software for the 'interactive office.'

Colorado Networks Operations
700 71st Avenue
Greeley, Colorado 80631
(303) 356-9301
Software and hardware to connect computer products.

Grenoble Networks Division
Hewlett-Packard France
5 Rue Raymond Chanas
F-38320 Eybens, France
Industrial terminals and low-cost terminals, personal computers; data-communications hardware and software.

BUSINESS SYSTEMS GROUP

Computer Systems Division
19447 Pruneride Avenue
Cupertino, California 95014
(408) 725-8111
Business computer systems for interactive, on-line processing, data processing, data-base management and distributed data processing.

CSY Roseville Operation
8010 Foothills Boulevard
Roseville, California 95678
(916) 786-8000
Business computer systems for interactive, on-line data processing, data base management and distributed data processing.

Office Productivity Division
Hewlett-Packard Ltd.
Nine Mile Ride
Easthampstead
Wokingham, Berkshire, England
Office-systems software and support for business computer systems.

Financial Systems Operation
370 West Trimble Road
San Jose, California 95131
(408) 263-7500
Software for HP business computers.

Information Resources Operation
7995 E. Prentice
Englewood, Colorado 80111
(303) 773-1992
Software for marketing and distributing organizations.

Guadalajara Computer Operation
Monte Morelos 299
Frac. Loma Bonita
Guadalajara, Talisco 45060 Mexico
(532) 622-0250
Business computers and software.

Boblingen General Systems Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Programmable desktop-computer systems and peripheral equipment for European scientific and industrial applications.

Administrative Productivity Division
370 West Trimble Road
San Jose, California 95131
Administrative and applications software, including distribution and financial.

Administrative Productivity Operation*
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Financial applications software.
*Part of Administrative Productivity Division.

INFORMATION TECHNOLOGY GROUP

Cupertino IC Division
11000 Wolfe Road
Cupertino, California 95014
Custom integrated circuits for HP computers, peripherals, and instruments.

Fort Collins IC Division
3403 East Harmony Road
Fort Collins, Colorado 80525

Information Technology Group
Northwest IC Division
1020 N.E. Circle Boulevard
Corvallis, Oregon 97330

COMPUTER PERIPHERALS GROUP

Boise Division
11311 Chinden Boulevard
Boise, Idaho 83707
(208) 376-6000
Impact and non-impact system line printers.

Disc Memory Division
11411 Chinden Boulevard
Boise, Idaho 83707
(208) 376-6000
Disc memory products and associated microprocessor-implemented controllers for computer systems.

Greeley Division
700 71st Avenueny Road
Greeley, Colorado 80631
(303) 356-9301
Flexible mass-storage devices; magnetic tape drives; local networking and data-communication products.

Vancouver Division
18110 S.E. 34th Street
Vancouver, Washington 98706
Word-processing, thermal, multi-purpose data-processing printers.

Computer Peripherals Bristol Division
Great Western Business Park
North Road
Yate, Bristol BS17, England
Middle-range mass storage products.

San Diego Division
16399 W. Bernardo Drive
San Diego, California 92127
(714) 487-4100
Digitizers, graphic tablets, instrumentation tape recorders, graphic plotters, recorder supplies, and X-Y, strip chart and oscillographic recorders.

PERSONAL COMPUTER GROUP

Handheld Computer and Calculator Operation
1010 N.E. Circle Boulevard
Corvallis, Oregon 97330
(503) 757-2000
Calculators for science and business portable and handheld computers.

Portable Computer Division
1010 N.E. Circle Boulevard
Corvallis, Oregon 97330
(503) 757-2000
Personal computer systems and handheld computers and calculators.

Hewlett-Packard Do Brasil
Rua Joao Sulinski, 681
13100-Campinas, Sao Paulo
Brazil
Scientific and business calculators and personal computers.

Hewlett-Packard Singapore Pte. Ltd.
1150 Depot Road
Singapore 0410
Personal, scientific and business calculators.

Roseville Terminals Division
3625 Cincinnati Avenue
Rocklin, California 95677
(916) 786-8000
Data terminals.

Personal Office Computer Division
978 East Arques
Sunnyvale, California 94086
(408) 735-1550
Small computers for the business market; interactive, microprocessor-implemented alphanumeric and graphics CRT (cathode-ray tube) terminals for data processing and commmunications.

Grenoble Personal Computer Division
Hewlett-Packard France
5 Rue Raymond Chanas
F-38320 Eybens, France
Industrial terminals and low-cost terminals.

Hewlett-Packard Puerto Rico
Highway 459 KM 1
Montana Industrial Park
Aguadilla 00603 Puerto Rico
Interactive, microprocessor implemented alphanumeric and graphics CRT (cathode-ray tube) terminals.

Personal Software Division
3410 Central Expressway
Santa Clara, California
(408) 725-8111
Software for personal computers; computer-aided work software and common user interfaces for portable computers, terminals and workstations.

Personal Computer Group Operation
11000 Wolfe Road
Cupertino, California 95014

Personal Computer Distribution Operation
Sunnyvale, California
Manages worldwide distribution of HP personal computers and related peripherals, software, supplies and accessories.

ANALYTICAL GROUP

Hewlett-Packard Company

Avondale Division
Route 41 & Starr Road
Avondale, Pennsylvania 19311
(215) 268-2281

Gas and liquid chromatographs,, automatic liquid samplers, digital integrators, analytical laboratory-data systems, chromatography columns and consumables.

Scientific Instruments Division
1601 California Avenue
Palo Alto, California
(415) 857-1501

Gas chromatograph/mass spectrometers, GC/MS data systems, UV-visible diode-array spectrophotometers.

Waldbronn Division
Hewlett-Packard GmbH
P.O. Box 1280
D-7517
Waldbronn, Federal Republic of Germany

Liquid chromatographs, gas chromatographs and analytical laboratory-data systems; liquid chromatograph detectors.

Analytical Supplies Operation
Route 41 & Starr Road
Avondale, Pennsylvania 19311

High quality gas and liquid chromatograph columns; also, distributes general supplies for the laboratory.

Laboratory Automation Systems Operation
Route 41 and Starr Road
Avondale, Pennsylvania 19311

Software and hardware to improve laboratory productivity and information management.

ENGINEERING & MANUFACTURING SYSTEMS GROUP

Data Systems Division
11000 Wolfe Road
Cupertino, California 95014
(408) 257-7000

Technical real-time computers and computer systems for factory automation, manufacturing and OEM (original equipment manufacturer) applications.

Manufacturing Productivity Division
370 West Trimble Road
San Jose, California 95131
(408) 263-7500

Software systems for manufacturing organizations, including manufacturing-application financial systems.

Manufacturing Test Division
815 Fourteeneth Street S.W.
Loveland, Colorado 80537
(303) 667-5000

Analog and digital circuit-board testers.

Loveland Instrument Division
815 Fourteenth Street, S.W.
Loveland, Colorado 80537
(303) 667-500

Analog and digital multimeters, computer-controlled instrument systems (data-loggers, data acquisition systems, components-test instrumentation).

Advanced Manufacturing Systems Operation
370 West Trimble Road
San Jose, California 95131

Computer integrated manufacturing (CIM) systems; factory automation application software products.

Panacom Automation Operation
24 Lexington Road
Waterloo, Ontario N2J323 Canada

Semiconductor Productivity Network Operation
370 West Trimble Road
San Jose, California 95131

Technical and product marketing, sales support and product development for computer-aided manufacturing systems for semiconductor manufacturers.

MEDICAL PRODUCTS GROUP

Andover Division
3000 Minuteman Road
Andover, Massachusetts 01810
(617) 687-1501

Diagnostic instruments including electrocardiographs, cardiac stress-testing systems, physiological amplifiers and graphic recorders, computerized ECG data-management systems, computerized cardiac catheterization laboratory and ultrasound-imaging systems.

Boblingen Medical Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany

Fetal/neonatal-monitoring systems and instruments for surgical recovery-room monitoring; critical-care monitoring systems and computerized arrhythmia monitoring systems.

McMinnville Division
1700 South Baker
McMinnville, Oregon 97128
(503) 472-5101

X-ray and electron-beam systems for industrial applications and cardiac resuscitation systems such as defibrillators, monitors and recorders.

Waltham Division
175 Wyman Street
Waltham, Massachusetts 02254
(617) 890-6300

Critical-care monitoring systems for adults, computerized arrhythmia systems for adults, computerized arrhythmia monitoring systems with recall and edit capabilities, physiological transducers, patient-monitoring recorders, computerized patient data-management systems, and hospital information systems.

Health Care Productivity Operation
3000 Minuteman Road
Andover, Massachusetts 01810

Hospital information systems.

Medical Supplies Center
3000 Minuteman Road
Andover, Massachusetts 01810

Stethoscopes, electrolytes, disposable ECG (electrocardiogram) monitoring electrodes, blood-pressure transducers and disposable transducer domes, chart papers, disposable pressure kits.

CORPORATE MARKETING

Computer Support Division
19310 Pruneridge
Sunnyvale, California 95014
(408) 996-9383

Installation, servicing and custom support for HP computer systems.

Financing and Remarketing Division
Cupertino, California

Marketing and administration for all product leasing and for resale of computers.

Computer Supplies Operation
1326 Kifer Road
Sunnyvale, California 94086
(408) 738-8856

Computer accessories, supplies, software and furniture for all HP computers.

Test and Measurement Products

Instrument Support Division
690 E. Middlefield Road
Mountain View, California 94042
(415) 969-0880

Bench service, on-site service and repairs, and systems engineering for HP instrument products.

Corporate Parts Center
33 Logue Avenue
Mountain View, California 94042

Replacement parts, exchange modules and supplies.

Instrument Products Operation
1320 Kifer Road
Sunnyvale, California 94086

Low-priced instrumentation products and accessories.

Transfer Agent(s):

Acquisition:

Apollo Computer Inc.

Designs, manufactures, markets and services network-based workstation and open computing products.

Harris Trust and Savings Bank
Corporate Trust Operations Division
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York, Pacific

Ticker Symbol: HWP

Plant Footage:

1989 ..... 35,200,000 sq. ft.
1988 .... N.A.
1987 30,000,000
1986 28,500,000
1985 26,715,840

N.A.-Not Available

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 11,899,000	$ 829,000
1988	9,831,000	816,000
1987	8,090,000	644,000
1986	7,102,000	516,000
1985	6,505,000	489,000

	No. of Com. Shares	Earn per Share ‡
1989	238,000,000	$ 3.52
1988	234,000,000	3.36
1987	257,000,000	2.50
1986	256,000,000	2.02
1985	257,000,000	1.91

‡ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Measurement, design, info., & mfg. equip. & syst.	$ 4,631,000	$ 3,839,000
Peripherals & network prods.	3,486,000	2,727,000
Serv. for equip., syst. & peripherals	2,157,000	1,855,000
Medical elec. equip & serv.	807,000	688,000
Analytical instrumentation & serv.	535,000	456,000
Elec. components	283,000	266,000
Total	$ 11,899,000	$ 9,831,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.36	—	—
1988	0.28	—	
1987	0.23	—	—
1986	0.22	—	—
1985	0.22	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 5,446,000	$ 22.88
1988	4,533,000	19.37
1987	5,022,000	19.54
1986	4,374,000	17.09
1985	3,982,000	15.49

Income Account *
(000's)

Year ended Oct. 31	1989	1988
Revenues	$ 11,899,000	$ 9,831,000
Cost of revenues	6,091,000	4,832,000
Expenses:		
Res. & develop.	1,269,000	1,056,000
Sell., gen., & adm.	3,327,000	2,859,000
Interest income	(65,000)	(135,000)
Interest expense	126,000	77,000
Income before taxes	$ 1,151,000	$ 1,142,000

Income taxes	322,000	326,000
Net Income	$ 829,000	$ 816,000

* Included in Costs and Expenses, Depreciation and Amortization: $462,000,000 in 1989 and $373,000,000 in 1988.

Assets
(000's)

As of Oct. 31	1989	1988
Cash & cash equiv.	$ 906,000	$ 814,000
Short-term invest.	20,000	118,000
Accts. & notes receiv., net	2,494,000	1,982,000
*Inventories	1,947,000	1,478,000
Other curr. assets	364,000	170,000
Current Assets	$ 5,731,000	$ 4,562,000
#Fixed assets	2,893,000	2,516,000
Other assets	1,451,000	780,000
Total Assets	$ 10,075,000	$ 7,858,000

Liabilities
(000's)

Notes payable & short-term borrowings	$ 1,341,000	$ 539,000
Accts. payable	642,000	460,000
Empl. compensation	748,000	635,000
Income taxes	309,000	391,000
Deferred revenues	256,000	202,000
Other accruals	447,000	362,000
Curr. Liabilities	$ 3,743,000	$ 2,589,000
Long-term debt	474,000	392,000
Other liabilities	164,000	157,000
Deferred inc. taxes	248,000	187,000
+Common stock & add. paid-in capital	459,000	234,000
Retained earnings	4,987,000	4,299,000
Total Liabilities & Shareholders' Equity	$ 10,075,000	$ 7,858,000

* At standard costs, not in excess of market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income before Taxes to Revenues	9.67	11.62
%Net Income to Revenues	6.97	8.30
%Net Income to Equity	15.22	18.00
Debt to Equity	0.33	0.21
Working Capital	$ 1,988,000,000	$ 1,973,000,000
Current Ratio	1.53	1.76
Shareholders' Equity	$ 5,446,000,000	$ 4,533,000,000

The Hickok Electrical Instrument Company

10514 Dupont Avenue
Cleveland, Ohio 44108
(216) 541-8060
FAX: (216) 761-9879

Officers: Robert D. Hickok, chairman & president; Robert L. Purcell, executive vice president; Robert L. Bauman, vice president; Michael Miller, secretary.

Directors: Robert D. Hickok, chairman; Thomas H. Barton, H. Bruce Boal, George S. Lockwood, Jr., Robert L. Purcell, Harry J. Fallon, Robert L. Bauman.

Areas of Work: Develops, manufactures, and markets a wide range of precision indicating instruments and electronic test equipment. Also produces electronic measuring instruments used in servicing all types of electronic and electrical apparatus. In addition, the company has developed and marketed a broad line of vocational training equipment for teaching a variety of skills, including basic electricity and electronics, fluid power, communications and computer maintenance.

Subsidiaries:

Supreme Electronics Corp.
1714-16 Carrollton
Greenwood, Mississippi 38930
(601) 453-6212
Electronic test equipment, specialized measuring devices, indicating instruments, and automotive diagnostic equipment.

Hickok Teaching Systems, Inc.
Cleveland, Ohio
Systems to assist in the teaching of technologies and vocational school training equipment.

Transfer Agent(s):

The Huntington National Bank
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	224	1987	202
1988	206		

Plant Footage:

1989	102,000 sq. ft.	1987	102,000
1988	102,000		

Sales & Earnings

	Net Sales #	Net Income †
1989	$ 10,485,000	$ 833,467
1988	9,869,000	1,029,879
1987	7,747,000	466.531
1986	5,515,000	(323,416)
1985	6,278,000	71,397

	No. of Com. Shares +	Earn. per Share †+
1989	609,712	$ 1.37
1988	607,140	1.70
1987	603,051	0.77
1986	603,082	—
1985	604,634	0.12

(Loss)
Of continuing operations only.
† Including extraordinary gains of $98,000 ($0.16 per share) in 1989, $374,000 ($0.62 per share) in 1988, $203,000 ($0.33 per share) in 1987 and $14,700 ($0.03 per share) in 1985.
+ Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 4,067,277	$ 6.67
1988	3,270,199	5.39
1987	2,230,544	3.70
1986	1,764,196	2.93
1985	2,087,612	3.45

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 10,485,200	$ 9,869,259
Cost of sales	5,416,662	5,476,364
Prod. develop.	1,363,575	554,470
Expenses	2,372,024	2,211,233
Bad debt expense	—	258,092
Interest expense	100,824	164,747
Income bef. taxes	$ 1,232,115	$ 1,204,353
Income taxes	421,000	485,000
Inc.-cont. oper.	$ 811,115	$ 719,353
Loss-discont. oper.	(75,648)	(63,474)
Net Income	$ 735,467	$ 655,879
Extraord. gain	98,000	374,000
Net Income & extraord. gain	$ 833,467	$ 1,029,879

* Included in Costs and Expenses, Depreciation: $126,673 in 1989 and $129,241 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 201,446	$ 239,056
Accts. receiv., net	3,554,835	2,008,419
*Inventories	2,442,328	2,270,136
Prepaid expenses	17,433	12,267
Current Assets	$ 6,216,042	$ 4,529,878
Cash value of life insurance	117,626	95,322
#Fixed assets	579,028	650,596
Prepaid rent & other deposits	3,932	4.958
Total Assets	$ 6,916,628	$ 5,280,754

Liabilities

Notes payable	$ 1,275	$ 479,000
Long-term debt, curr.	90,626	92,968
Accts. payable	330,119	353,483
Accruals	815,891	781,583
Accrued income taxes	192,819	68,000
Curr. Liabilities	$ 2,704,455	$ 1,775,034
Long-term debt	144,896	235,521
+Common stock:		
Class A	363,892	363,892
Class B	245,820	245,820
Add. paid-in capital	1,272,151	1,272,151
Retained earnings	2,185,414	1,388,336
Total Liabilities & Shareholders' Equity	$ 6,916,628	$ 5,280,754

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	20.49	20.06
Sales to Inventories	4.29	4.35
Debt to Equity	0.37	0.25
Working Capital	$ 3,511,587	$ 2,754,844
Current Ratio	2.30	2.55
Shareholders' Equity	$ 4,067,277	$ 3,270,199

Hipotronics, Inc.

P.O. Drawer A
Route 22
Brewster, New York 10509
(914) 279-8091
FAX: (914) 279-2467

Officers: Stanley G. Peschel, chairman of the board & president; Derrick D. Martin, v.p.-international sales; Robert Schlesinger, v.p.-North American & European sales; Banning B. Howes, treasurer; Richard Connell, v.p.-engineering.

Directors: Stanley G. Peschel, chairman; William J. Florence, Jr., Stephen S. Peschel, Robert R. Grew, Michael T. Peschel, William E. Larzelere, Jr..

Areas of Work: Designs and manufactures high voltage devices and systems to test materials and equipment used in the transmission of electricity; also designs and manufactures test equipment and high voltage power supplies for use in the electronics industry. Products include AC/DC dielectric test systems capacitors, DC insulation test equipment, wire sparkers, cable fault locators, AC-DC hipot testers and megohmmeters, power supplies, corona test systems, automatic sequential test systems, transformers, magnet wire test systems and miscellaneous high voltage hardware and accessories.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: HIP

Number of Employees:

1989	250
1988	222
1987	200
1986	N.A.
1985	185

Plant Footage:

1989	142,000 sq. ft.
1988	120,000
1987	120,000
1986	N.A.
1985	74,000

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 25,865,120	$ 3,089,710
1988*	22,321,670	2,370,084
1987	18,550,478	1,880,584
1986	17,012,153	1,484,622
1985	16,138,964	1,373,809

	No. of Com. Shares †	Earn. per Share †
1989	2,061,081	$ 1.50
1988*	2,038,593	1.16
1987	2,066,241	0.91
1986	2,095,419	0.71
1985	2,149,636	0.65

* 53 weeks.
† Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988	1987
Power supplies	17 %	21 %	18 %
Dielectric	41	33	39
Other	42	46	43
Total	100 %	100 %	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.23	—	—
1988	0.20	—	
1987	0.16	—	—
1986	0.13	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 11,689,690	$ 5.67
1988	10,542,458	5.17
1987	8,637,471	4.18
1986	7,661,766	3.66
1985	6,638,463	3.09

+ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account*

Year ended Nov. 30	1989 (53 weeks)	1988
Net sales	$ 25,865,120	$ 22,321,670
Cost of sales	14,754,960	12,954,361
Expenses	6,324,271	5,655,111
Oper. profit	$ 4,785,889	$ 3,712,198
Interest expense	133,430	205,331
Interest income	(86,944)	(21,106)
Other income	(60,307)	(115,111)
Income before taxes	$ 4,799,710	$ 3,643,084
Income taxes	1,710,000	1,273,000
Net Income	$ 3,089,710	$ 2,370,084

* Included in Costs and Expenses, Depreciation: $499,432 in 1989 and $515,210 in 1988.

Assets

As of Nov. 30	1989	1988
Cash	$ 270,785	$ 268,746
Accts. receiv., net	6,569,625	4,993,058
*Inventories	5,242,931	5,691,682
Deferred inc. taxes	117,347	57,987
Other curr. assets	92,894	159,301
Current Assets	$ 12,293,582	$ 11,170,774
#Fixed assets	3,984,266	4,191,597
Unexpended funds	7,288	235,436
Other assets	348,804	185,693
Total Assets	$ 16,633,940	$ 15,783,500

Liabilities

Long-term debt, curr.	$ 220,000	$ 200,000
Accts. payable	595,123	743,315
Accrued payroll	329,554	251,220
Accrued commissions	932,141	628,290
Other accruals	499,526	265,995
Income taxes	157,855	271,993
Cust. deposits	400,074	627,787
Dividends payable	265,522	203,983
Curr. Liabilities	$ 3,399,795	$ 3,192,583
Long-term debt	1,265,000	1,700,000
Deferred inc. taxes	279,455	348,459
+Common stock	231,032	229,517
Add. paid-in capital	3,919,370	3,783,965
Retained earnings	12,284,890	9,659,613
Treasury stock	(3,199,888)	(3,130,637)
Deferred ESOP expense	(1,545,714)	—
Total Liabilities & Shareholders' Equity	$ 16,633,940	$ 15,783,500

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	18.56	16.32
%Net Income to Sales	11.95	10.62
%Net Income to Equity	26.43	22.48
Sales to Inventories	4.93	3.92
Debt to Equity	0.13	0.18
Working Capital	$ 8,893,787	$ 5,929,732
Current Ratio	3.62	2.13
Shareholders' Equity	$ 11,689,690	$ 10,542,458

Hi-Shear Industries Inc.

3333 New Hyde Park Road
North Hills, New York 11042
(516) 627-8600
FAX: (516) 365-8629

Officers: David A. Wingate, chairman, president & chief exec. officer; Leo J. Ragan, president & chief operating officer- Hi-Shear Corp.; S. Gerard Benford, v.p. & chief financial officer; Victor J. Galgano, treasurer & controller; Harold L. Bernstein, secretary; Thomas R. Mooney, president-Hi-Shear Technology Corp.; Alex Lee, v.p.-sales & marketing; Jerome M. Lyons, v.p.-human resources; Randall Pritchard, director of materiel.

Directors: David A. Wingate, chairman; Harold L. Bernstein, David Boyd Chase, Philip M. Slonim.

Areas of Work: Manufactures high-technology products for aerospace and defense applications. The Aerospace Fastening Systems division provides proprietary structural fastening systems primarily for commercial and military aircraft. The Space and Defense Systems division designs and manufactures sophisticated electro-explosive and propellant-actuated devices and electronic products for missiles, aircraft, spacecraft and naval vessels.

Divisions:

Aerospace Fastening Systems
Space and Defense Systems

Subsidiaries:

Hi-Shear Corporation
2600 Skypark Drive
Torrance, California 90509
Aerospace fastening systems.

Hi-Shear Technology Corp.
24225 Garnier Street
Torrance, California 90509
Space and defense ordnance systems.

Defense Systems Corporation
204 Edison Way
Reno, Nevada 89502

Hi-Shear DISC
HSI Properties, Inc.
Hi-Shear Holdings Limited

HSC Fasteners Europe Ltd.
Rugby, England
Manufactures and markets aerospace fastening systems in Europe.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: HSI

Number of Employees:

1989	850
1988	1,000
1987	1,000
1986	995

Plant Footage:

1989	N. A.
1988	439,600 sq. ft.
1987	354,500
1986	341,000

N. A.- Not Available

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 81,626,000	$ (143,000)
1988	80,401,000	4,878,000
1987	78,893,000	4,829,000
1986	77,115,000	12,781,000
1985	61,647,000	10,766,000

	No. of Com. Shares ‡		Earn. per Share † ‡
1989	5,849,000	$	—
1988	5,840,000		0.84
1987	5,875,000		0.82
1986	5,862,000		2.18
1985	5,791,000		1.86

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $1,761,000 ($0.30 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

		1989		1988
Aerospace fastening systems	$	66,243,000	$	64,268,000
Space & defense systems		15,383,000		16,133,000
Total	$	81,626,000	$	80,401,000

Common Stock

		Cash Dividend +	Stock Dividend	Stock Split
1989	$	0.44	—	—
1988		0.44	—	
1987		0.44	—	—
1986		0.41	—	5-for-4
1985		0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1989	$	61,047,000	$	10.43
1988		63,789,000		11.01
1987		62,539,000		10.62
1986		59,842,000		10.20
1985		49,099,000		8.39

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended May 31		1989		1988
Net sales	$	79,630	$	78,525
Other income		1,996		1,876
Total income	$	81,626	$	80,401
Cost of sales		68,885		61,622
Expenses		13,642		12,434
Oper. profit (loss)	$	(901)	$	6,345
Interest expense		510		429
Interest income		(794)		(1,338)
Inc. (loss) bef. taxes	$	(617)	$	7,254
Income taxes (credit)		(474)		2,376
Net Income (Loss)	$	(143)	$	4,878

• Included in Costs and Expenses, Depreciation and Amortization: $2,285,000 in 1989 and $1,969,000 in 1988.

Assets
(000's)

As of May 31		1989		1988
Cash & cash equiv.	$	2,822	$	10,194
Marketable securities		900		8,000
Accts. receiv., net		19,693		17,837
*Inventories		39,891		23,172
Deferred income taxes		1,896		1,502
Other curr. assets		1,421		674
Current Assets	$	66,623	$	61,379
#Fixed assets		19,397		18,591
Other assets		856		838
Total Assets	$	86,876	$	80,808

Liabilities
(000's)

		1989		1988
Notes payable	$	2,860	$	1,604
Accts. payable		8,972		4,096
Accrued inc. taxes		486		—
Accrued payroll		3,589		3,709
Other accruals		3,997		4,524
Curr. Liabilities	$	19,904	$	13,933
Long-term debt		3,209		—
Deferred inc. taxes		2,128		1,897
Other liabilities		588		534
Minority interest		—		655
+Common stock		614		614
Add. paid-in capital		34,572		34,440
Retained earnings		29,207		31,926
For. curr. trans. adjust.		(642)		(82)
Treasury stock		(2,704)		(3,109)
Total Liabilities & Shareholders' Equity	$	86,876	$	80,808

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

		1989		1988
%Income bef. Taxes to Sales		—		9.24
%Net Income to Sales		—		6.21
%Net Income to Equity		—		7.65
Sales to Inventories		2.00		3.39
Debt to Equity		0.10		0.03
Working Capital	$	46,719,000	$	47,446,000
Current Ratio		3.35		4.41
Shareholders' Equity	$	61,047,000	$	63,789,000

Hitachi, Ltd.

6, Kanda-Surugadai 4-chome
Chiyoda-ku
Tokyo 101, Japan

Officers and Directors: Katsushige Mita, president & representative director; Shiro Kawada, executive v.p. & representative director; Yutaka Sonoyama, Sutezo Hata, Takeo Miura, Tsutomu Kanai, Toshi Kitamura, Exec. v.p. & directors. Tadashi Okita, Reijiro Fukutomi, Tadakatsu Kano, Iwao Matsuoka, Nobuji Kamachi, Toori Sato, senior executive managing directors; Takashi Kashiwagi, Kazuo Kimbara, Yasuhiko Tani, Kazuo Morita, Shiro Kawate, Toshiharu Arai, Hiroshi Takano, Masao Hamada, Yasutsugu Takeda, Takeo Takemoto, Asahiko Isobe, Exec. managing directors.

Yutaka Takuma, Noboru Hatano, Takashi Nonouchi, Tadahiko Shinohara, Tsuneo Tanaka, Hiroshi Kuwahara, Yugo Kitagawa, Takeshi Sasaki, Mikio Murai, Board directors.

Areas of Work: Consumer Products include television sets, hi-fi audio equipment, radios, tape recorders, VTRs, video cameras, room air conditioners, refrigerators, washing machines, microwave ovens, vacuum cleaners, space heating and warming appliances, kitchen appliances, lighting fixtures, dry batteries, and audio and video tapes.

Information and Communication Systems and Electronic Devices include computers, computer terminals and peripherals, magnetic disks, word processors, telephone exchanges, facsimile equipment, broadcasting equipment, integrated circuits, semiconductors, picture tubes, CRT displays, liquid crystal displays, magnetrons, test and measurement equipment, analytical instruments, and medical electronics equipment.

Power Systems and Equipment include power plants, turbines, generators, boilers, transformers, circuit breakers, motors, control equipment, switchboards, and automobile parts and accessories.

Industrial Machinery and Plants include compressors, pumps, blowers, rolling mill equipment, chemical plants, tonnage oxygen plants, construction machinery, cranes, elevators, escalators, refrigeration equipment, air conditioning equipment, environmental control equipment, welding equipment, industrial robots, electric locomotives, diesel locomotives, passenger coaches, electric cars, diesel cars and monorail cars.

Wire and Cable, Metals, Chemicals and other Products include electric wire and cable, rolled copper products, optical fiber cable, special steels, rollers for rolling mills, malleable cast iron products, forged and cast steel products, pipe fittings, synthetic resin materials and products, carbon and graphite products, electric insulating materials, printed circuit boards and ceramic materials.

Manufacturing Subsidiaries:

Hitachi Cable, Ltd.
Hitachi Metals, Ltd.
Hitachi Chemical Co., Ltd.
Hitachi Construction Machinery Co., Ltd.
Hitachi Maxell, Ltd.
Babcock-Hitachi K.K.
Japan Servo Co., Ltd.
Hitachi Denshi, Ltd.
Hitachi Electronics Engineering Co., Ltd.
Hitachi Seiko, Ltd.
Hitachi Medical Corporation
Hitachi Lighting, Ltd.
Hitachi Machinery & Engineering, Ltd.
Hitachi Telecom Technologies Co., Ltd.
Asahi Kogyo Co., Ltd.
Hitachi Hokkai Semiconductor, Ltd.
Hitachi Tochigi Electronics Co., Ltd.
Hitachi Tohbu Semiconductor, Ltd.
Hitachi Hometec, Ltd.
Hitachi Kiden Kogyo, Ltd.
Hitachi Tokyo Electronics Co., Ltd.

Manufacturing Subsidiaries (U.S.)

High Voltage Breakers, Inc.
Hitachi Automotive Products (USA), Inc.
Hitachi Cable Manchester, Inc.
Hitachi Computer Products (America), Inc.
Hitachi Consumer Products of America, Inc.
Hitachi Semiconductor (America) Inc.
Maxell America Inc.
AAP St. Marys Corporation
Hitachi Cable Indiana Inc.
Hitachi Chemical Electro-Products, Inc.
Hitachi Digital Graphics (USA), Inc.
Hitachi Telecom (USA), Inc.
HMT Technology Corporation

Transfer Agent(s):

Tokyo Securities Transfer Agent Co., Ltd.

Stock Exchange(s): Tokyo, New York*

Ticker Symbol: HIT (New York Stock Exchange)* * Trades as an American Depositary Receipt.

Number of Employees:

1990	290,811	1987	161,325
1989	274,508	1986	164,117
1988	263,996		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1990	¥ 7,077,855	¥ 210,963
1989	6,401,417	185,587
1988	5,716,962	136,806
1987	5,543,247	98,676
1986	5,010,459	150,218

	No. of Com. Shares	Earn. per Share ‡
1990	3,072,846,556	¥ 61.71
1989	3,017,685,948	56.14
1988	2,921,653,675	42.03
1987	2,816,258,283	31.86
1986	2,803,390,998	48.24

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(millions)

	1990	1989
Power systems & equip.	¥ 989,000	¥ 881,000
Consumer products	1,000,000	1,033,000
Information & communication systems & elec. devices	2,318,000	2,051,000
Industrial machinery & plants	1,208,000	1,046,000
Wire & cable, metals, chemicals & other products	1,563,000	1,390,000
Total	¥ 7,078,000	¥ 6,401,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 8.88	—	—
1989	8.82	—	
1988	8.69	—	—
1987	8.97	—	—
1986	9.50	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1990	¥ 2,560,835	¥ 833.37
1989	2,281,556	756.06
1988	2,018,547	690.89
1987	1,825,968	648.36
1986	1,742,655	621.62

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 7,077,855	¥ 6,401,417
Cost of sales	5,023,533	4,552,089
Expenses	1,553,218	1,416,142
Interest expense	97,047	71,438
Interest income	(151,488)	(118,597)
Dividend income	(10,829)	(8,878)
Other income	(14,760)	(15,751)
Other expense	51,144	13,869
Income before taxes	¥ 529,990	¥ 491,105
Income taxes	281,309	272,776
Minority interests	37,718	32,742
Net Income	¥ 210,963	¥ 185,587

* Included in Costs and Expenses, Depreciation ¥ 407,152,000,000 in 1990 and ¥ 366,268,000,000 in 1989

Assets
(millions)

As of Mar. 31	1990	1989
Cash & cash equiv.	¥ 1,853,734	¥ 1,638,328
Short-term invest.	324,784	385,085
Accts. receiv., net	1,594,265	1,372,106
*Inventories	1,355,007	1,249,806
Prepaid expenses	263,112	224,419
Current Assets	¥ 5,390,902	¥ 4,869,744
Receivables & restricted funds	134,868	121,766
Investments & advances	358,736	324,012
# Fixed assets	1,708,891	1,473,549
Other assets	211,689	148,580
Total Assets	¥ 7,805,086	¥ 6,937,651

Liabilities
(millions)

	1990	1989
Short-term bank loans	¥ 781,590	¥ 819,542
Long-term debt, curr.	46,790	44,726
Accts. payable	928,665	815,392
Accruals	553,679	446,038
Income taxes	157,179	186,125
Advances received	434,234	510,342
Employees' deposits	127,864	123,716
Other current liabilities	284,906	237,619
Curr. Liabilities	¥ 3,314,907	¥ 3,183,500
Long-term debt	886,798	520,885
Retirement benefits	493,955	481,335
Minority interest	548,591	470,375
+ Common stock	246,913	219,350
Add. paid-in capital	357,775	302,651
Legal reserve	60,021	56,190
Retained earnings	1,911,144	1,740,285
For. curr. trans. adjust.	(15,018)	(36,920)
Total Liabilities & Shareholders' Equity	¥ 7,805,086	¥ 6,937,651

* At lower of cost or market. Job order inventories by specific identification method and raw materials and all other inventories by the average cost method.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.49	7.67
% Net Income to Sales	2.98	2.90
% Net Income to Equity	8.24	8.13
Sales to Inventories	5.22	5.12
Debt to Equity	0.67	0.61
Working Capital (000's)	¥2,075,995,000	¥1,686,244,000
Current Ratio	1.63	1.53
Shareholders' Equity (000's)	¥2,560,835,000	¥2,281,556,000

Honeywell Inc.

Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200
FAX: (612) 870-6231

Officers: James J. Renier, chairman & chief executive officer; Fosten A. Boyle, v.p.-human resources; Richard J. Boyle, v.p.-marketing & business development; Michael R. Bonsignore, president-international; Joe E. Chenoweth, pres.-homes & buildings, defense & marine; Clint O. Larson, corp. v.p.-operations; D. L. Moore, president-space & aviation systems; James J. Grierson, v.p.-finance; Jerome J. Meyer, president-industrial; Robert T. Mall, v.p. & treasurer; David K. Bergerson, v.p. & general counsel; Sigurd Ueland, Jr., v.p. & secretary; D. J. Larkin, v.p. & group exec.-Commercial Buildings Group; C. L. Vignali, v.p. & group exec.-Space Systems Group; S.W. Emery., v.p., v.p. & group exec.- Military Avionics Systems Group; J. R. Dewane, v.p. & group exec.-Commercial Flight Systems Group.

Directors: William H. Donaldson, James J. Renier*, Alexander J. MacIntosh, Geri M. Joseph*, Earnest H. Clark, Jr., Elizabeth E. Bailey, Steven G. Rothmeier*, Vincent A. Sarni, Michael W. Wright*, Gerald Greenwald.

* Member of the Executive Committee

Areas of Work: The Company's products and services involve three industry segments: Space and Aviation, Industrial, and Homes & Buildings.

Divisions and Subsidiaries:

SPACE AND AVIATION SYSTEMS

Space Systems Group

Commercial Flight Systems Group

Air Transport Systems Division
Phoenix, Arizona
Automatic flight control systems; electronic cockpit displays; flight management systems; flight reference sensors; navigation, surveillance and warning systems; inertial reference systems; air-data computers; communications systems; worldwide customer service centers.

Business and Commuter Aviation Systems Division
Glendale, Arizona
Automatic flight control systems; electronic cockpit displays; flight management systems; flight reference sensors; navigation, surveillance and warnings systems; inertial reference systems; air-data computers; communications systems; worldwide customer service centers.

Military Avionics Systems Group

Defense Avionics Systems Division
Albuquerque, New Mexico
Automatic flight control systems, electronic cockpit display systems, flight reference systems, cockpit systems integration, unmanned vehicle electronics.

Military Avionics Division
Minneapolis, Minnesota
Laser inertial navigation and guidance systems, flight controls, inertial sensors, radar altimeters, automatic test systems, helmet-mounted display and sighting systems.

INDUSTRIAL

Keyboard Division
El Paso, Texas
Keyboards and touch panels for data entry and control.

Micro Switch Division
Freeport, Illinois
Solid-state sensors for position, pressure, air-flow, temperature and current; precision electromechanical switches; manual controls; advanced vision-based sensors; sensor interface devices; optoelectronic, fiber-optic and encoder systems and components.

Skinner Valve Division
New Britain, Connecticut
Solenoid valves.

Industrial Systems Group

Industrial Automation and Control Division
Fort Washington, Pennsylvania
Phoenix, Arizona
Continuous and batch information and control systems for hybrid operations of process plants.

Test Instruments Division
Denver, Colorado
Magnetic tape recorders and reproducers, oscillographic and videographic recorders, test management systems, militarized airborne recorders, instrumentation, service support, product and component testing.

HOME AND BUILDING AUTOMATION AND CONTROL

Building Controls Division
Golden Valley, Minnesota
Heating, ventilating and air conditioning controls; lighting controls and building management systems for commercial buildings; burner and boiler combustion controls; hydronic controls; indoor air-quality diagnostic services.

Protection Services Division
Minneapolis, Minnesota
Security services for homes and commercial buildings, including burglary and fire protection, access control, closed circuit video, maintenance and 24-hour monitoring by customer service centers.

Residential Division
Golden Valley, Minnesota

Air-quality products; automatic controls for heating, cooling, ventilating, air conditioning, humidifying equipment; systems for residences and small buildings.

Commercial Buildings Group
Minneapolis, Minnesota

Comfort controls, building management systems, fire alarm and security systems, energy retrofit systems and services, contract maintenance and building operations service for commercial buildings; integrated systems and service packages for specific customer segments.

INTERNATIONAL

Asia-Pacific
Honeywell Asia-Pacific Inc.
Hong Kong

Canada
Honeywell Limited
Toronto, Ontario, Canada

Europe
Honeywell Europe S.A.
Brussels, Belgium

Latin American Division
Minneapolis, Minnesota

CORPORATE

Honeywell Federal Systems, Inc.
McLean, Virginia

Field marketing and support to U.S. government computer customers.

Solid State Electronics Center
Plymouth, Minnesota

Research, engineering, and manufacturing of custom and semicustom microcircuits, sensors, transducers and advanced packaging.

Sensors & Systems Center
Minneapolis, Minnesota

Systems engineering for integration of computers, communications and control systems for commercial buildings and manufacturing automation.

Systems and Research Center
Minneapolis, Minnesota

Systems analysis and applied research on systems, products for military, space and commercial aviation sectors.

Tetra Tech Data Services Inc.
Pasadena, California

Computer and fiber-optic systems.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Corporate Agency/Stock Transfer Division
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Norwest Trust Company
Level D
2 Wall Street
New York, New York 10005

Stock Exchange(s): New York, London, Paris, Amsterdam, Brussels, Geneva, Zurich, Basel

Ticker Symbol: HON

Number of Employees:

1989	65,300	1986	78,097
1988	78,400	1985	71,242
1987	78,881		

Sales & Earnings

	Net Sales # (000's)	Net Income (000's)
1989	$ 6,058,600	$ 604,100
1988	5,857,000	(434,900)
1987	5,589,500	253,700
1986	4,475,100	(398,100)
1985	4,208,800	281,600

	No. of Com. Shares ‡	Earn per Share ‡
1989	42,600,000	$ 14.18
1988	42,600,000	—
1987	44,100,000	5.75
1986	45,100,000	—
1985	45,700,000	6.16

(Loss)
Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Homes and buildings	$ 2,076,800	$ 2,036,200
Industrial	1,491,400	1,400,200
Space and aviation	2,004,100	1,839,600
Other	486,300	581,000
Total	$ 6,058,600	$ 5,857,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.262	—	—
1988	2.100	—	
1987	2.025	—	—
1986	2.000	—	—
1985	1.950	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,918,200,000	$ 47.96
1988	1,731,300,000	40.14
1987	2,245,300,000	52.80
1986	2,221,200,000	48.67
1985	2,566,900,000	56.08

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 6,058,600	$ 5,857,000
Cost of sales	4,172,500	4,258,800
Expenses	1,411,400	1,440,800
Discont. of prod. lines	—	150,800
Prov. for restruc. activities	81,600	101,900
Interest income	(44,900)	(37,000)
Interest expense	135,200	254,100
Gain on sale of assets	(340,100)	(33,700)
Equity income	(33,000)	(9,800)
Income (loss) bef. taxes	$ 675,900	$ (268,900)
Income taxes	125,600	212,600
Inc. (loss)-cont. oper.	$ 550,300	$ (481,500)
Inc.-cont. oper.	53,800	46,600
Net Income (Loss)	$ 604,100	$ (434,900)

* Included in Costs and Expenses, Depreciation $247,800,000 in 1989 and $258,400,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 230,600	$ 154,200
Short-term invest.	23,500	36,700
Receivables	1,255,300	1,234,000
*Inventories	1,071,600	1,012,900
Deferred inc. taxes	219,700	138,500
Current Assets	$ 2,800,700	$ 2,576,300
Investments & advances	170,400	237,600
#Fixed assets	1,188,900	1,227,200
Other assets	840,100	718,200
Assets of discont. oper.	258,100	222,700
Total Assets	$ 5,258,200	$ 4,982,000

Liabilities
(000's)

Short-term debt	$ 145,600	$ 314,800
Accts. payable	286,500	261,300
Cust. advances	84,400	56,700
Income taxes	491,700	316,900
Accrued compen.	419,100	363,600
Accrued interest	154,500	153,300
Other accruals	834,000	820,300
Curr. Liabilities	$ 2,415,800	$ 2,286,900
Long-term debt	692,500	800,700
Deferred inc. taxes	27,400	37,200
Other liab.	204,300	125,900
+Common stock	71,000	71,000
Add. paid-in capital	614,400	634,900
Retained earnings	1,748,000	1,239,600
Treasury stock	(575,000)	(314,600)
For. curr. translation	59,800	100,400
Total Liabilities & Shareholders' Equity	$ 5,258,200	$ 4,982,000

* At lower of cost (weighted average) or market.
# Less accumulated depreciation.
+ $1.50 par value.

Statistical Summary

%Net Income to Equity	31.49	—
Sales to Inventories	5.65	5.78
Debt to Equity	0.44	0.64
Working Capital	$ 384,900,000	$ 289,400,000
Current Ratio	1.16	1.13
Shareholders' Equity	$ 1,918,200,000	$ 1,731,300,000

Hubbell, Incorporated

584 Derby Milford Road
Orange, Connecticut 06477-4024
(203) 799-4100
FAX: (203) 799-4333

Officers: G. J. Ratcliffe, chairman of the board, president & chief executive officer; Vincent R. Petrecca, exec. v.p.; Harry B. Rowell, Jr., exec. v.p.; Robert A. McRoberts, v.p.-finance; James H. Biggart, Jr., treasurer; Edward C. Corner, v.p.-development & planning; Richard W. Davies, general counsel & secretary; William A. Finnell, asst. treasurer; Thomas J. Geiger, asst. treasurer; James K. Braun, asst. treasurer; Richard C. Hawkins, v.p.-human resources; David G. McNamara, v.p.-controller.

Directors: Robert N. Flint, G. J. Ratcliffe, Charles A. McKee, Robert W. Dixon, Andrew McNally, IV, Horace G. McDonell, H. Justin Davidson, John M. Henske, Joel S. Hoffman, Daniel J. Meyer.

Areas of Work: Manufactures and markets electrical and electronic products for a broad range of commercial, industrial, telecommunications, and utility applications.

Divisions and Subsidiaries:

Wiring Device Division
State Street & Bostwick Avenue
Bridgeport, Connecticut 06605
(203) 333-1181

Electrical wiring devices, ground fault circuit interruptors, medical power centers, floor boxes; marine and corrosion resistant products; hospital and medical special purpose products.

Hubbell Plastics, Inc.
Prospect Drive
Newton, Connecticut 06470
(203) 426-2555

Custom-molded plastic parts for electrical/electronics, appliance, hardware, recreation, packaging and automotive markets.

Kellems Division
Route One, Lord's Hill
Stonington, Connecticut 06378
(203) 535-1250
Mechanical holding devices for cable, rope, hose, and flexible conduit for utility, contractor, and industrial markets.

Lighting Division
Christiansburg, Virginia
Anaheim, California
Moultrie, Georgia
Martin, Tennessee
Outdoor and indoor area lighting, landscape and hazardous-location lighting for commercial buildings, stadiums, gymnasiums, industrial plants, and residential use; underwater and reflecting pool lighting.

Hubbell Industrial Controls, Inc.
50 Edwards Street
Madison, Ohio 44057
(216) 428-1161
Heavy-duty electrical and electronic control equipment for industrial markets.

Pulsecom Division
2900 Towerview Boulevard
Herndon, Virginia 22071
(703) 471-2900
Manufactures electronic products related to the transmission and control of data, teleprinter, voice and television signals.

Hubbell Hermetic Refrigeration, Inc.
2522 West Holly Street
Phoenix, Arizona
(602) 272-6551
Remanufacture of refrigeration and air conditioning compressors.

The Kerite Company
49 Day Street
Seymour, Connecticut 06483
(203) 888-2591
Proprietary insulated wire and cable for railroads, electric utilities, and industrial markets.

Raco, Inc.
South Bend, Indiana
Fogelsville, Pennsylvania
Manufactures steel and plastic boxes for electrical connections at outlet, switch, and junction locations; fittings for electrical wiring systems.

The Ohio Brass Company
Wadsworth, Ohio
Aiken, South Carolina
Polymer and ceramic insulators, surge arresters, transit and industrial haulage system components.

Hubbell Canada, Inc.
870 Brock Road South
Pickering, Ontario, Canada
(416) 839-1139
Manufacture and assembly of wiring devices, mesh grips, lighting fixtures, industrial controls.

Harvey Hubbell Ltd.
Kempston, Bedfordshire, England
Manufacture and assembly of fuse switches, contactors, timers, lighting fixtures, motor controls.

Killark Electric Manufacturing Company
St. Louis & Louisiana, Missouri
Sparta, Illinois
Standard and specialized wiring devices, lighting fixtures, fittings, and enclosures.

Harvey Hubbell, S.E. Asia (Pte.) Ltd.
Singapore

Transfer Agent(s):

Manufacturers Hanover Trust Co.
New York, New York 10001

Stock Exchange(s): American

Ticker Symbol: HUB.A & HUB.B

Number of Employees:

1989	5,320	1986	5,603
1988	5,159	1985	5,766
1987	5,211		

Plant Footage:

1989 .... 3,169,400 sq. ft. 1988 3,169,400

Sales & Earnings

	Net Sales ‡	Net Income
1989	$ 668,765,000	$ 79,364,000
1988	614,237,000	71,288,000
1987	581,087,000	62,529,000
1986	558,810,000	54,468,000
1985	521,136,000	47,742,000

	No. of Comm Shares #	Earn. per Share #
1989	28,551,000	$ 2.78
1988	28,785,000	2.48
1987	29,215,000	2.14
1986	29,256,000	1.86
1985	29,085,000	1.64

‡ Of continuing operations.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Revenues by Line of Business

	1989	1988
Low voltage	$ 343,773,000	$ 332,822,000
High voltage	117,639,000	94,435,000
Other	207,353,000	186,980,000
Total	$ 668,765,000	$ 614,237,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 1.24	5%	—
1988	0.99	5%	
1987	0.88	—	—
1986	0.74	—	—
1985	0.67	—	2-for-1

‡ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 427,818,000	$ 15.21
1988	392,530,000	13.85
1987	354,443,000	12.54
1986	324,376,000	11.51
1985	280,907,000	10.40

† Adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 668,765	$ 614,237
Cost of sales	450,381	407,608
Expenses	113,411	109,211
Interest expense	739	763
Interest income	(15,179)	(11,573)
Other expense	2,699	1,826
Income before taxes	$ 116,714	$ 106,402
Income taxes	37,350	35,114
Net Income	$ 79,364	$ 71,288

* Included in Costs and Expenses, Depreciation and Amortization: $16,570,000 in 1989 and $14,950,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & temp. invest.	$ 101,144	$ 66,871
Accts. receiv., net	83,838	71,118
*Inventories	127,966	124,355
Prepaid expenses & other assets	28,090	16,430
Current Assets	$ 341,038	$ 278,774
#Fixed assets	107,962	102,443
Other assets	127,286	142,245
Total Assets	$ 576,286	$ 523,462

Liabilities
(000's)

	1989	1988
Accts. payable	$ 22,397	$ 19,337
Accrued salaries	11,621	11,087
Accrued income taxes	26,216	21,793
Accrued taxes	4,841	4,927
Dividends payable	9,106	7,200
Other accrued liab.	27,297	23,993
Curr. Liabilities	$ 101,478	$ 88,337
Deferred income taxes	26,917	25,308
Long-term debt	8,100	8,100
Other liabilities	11,973	9,187
+Common stock:		
Class A	30,037	30,806
Class B	110,561	104,154
Add. paid-in capital	72,847	32,767
Retained earnings	216,718	227,474
Unreal. loss on invest.	—	(788)
Cum. trans. adj.	(2,345)	(1,883)
Total Liabilities & Shareholders' Equity	$ 576,286	$ 523,462

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation & amortization.
+ $5 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	17.45	17.32
%Net Income to Sales	11.87	11.61
%Net Income to Equity	18.55	18.16
Sales to Inventories	5.23	4.94
Debt to Equity	0.02	0.02
Working Capital	$ 239,560,000	$ 190,437,000
Current Ratio	3.36	3.16
Shareholders' Equity	$ 427,818,000	$ 392,530,000

Hughes Supply, Inc.

521 West Central Boulevard
P.O. Box 2273
Orlando, Florida 32802
(407) 841-4755
FAX: (407) 648-4609

Officers: David H. Hughes, chairman of the board, president & chief exec. officer; William C. Wier, exec. v.p.; Robert N. Blackford, secretary; William Y. Ford, v.p.-mfg.; A. S. Hall, Jr., exec. v.p.; Jasper L. Holland, Jr., v.p.-sales & marketing; Russell V. Hughes, v.p.-cost control; Vincent S. Hughes, v.p.-electric utilities sales; Kenneth H. Stephens, v.p.-operations; J. Stephen Zepf, treasurer & chief financial officer; Richard N. Jones, controller; Jacquel K. Clark, asst. secretary.

Directors: David H. Hughes, chairman; Vincent S. Hughes, Russell V. Hughes, Herman B. McManaway, Robert N. Blackford, Clifford M. Hames, John B. Ellis.

Areas of Work: Wholesale distributor of a broad range of materials, equipment and supplies for use in the construction and mechanical trades. The major product lines distributed by the Company consist of electrical, plumbing, and electric utility equipment, contractor supplies, water and sewer products, heating and air conditioning equipment, mechanical pipe, valves and fittings and mobile home supplies.

Through its Southern Manufacturing Company division, the Company manufactures traffic control boxes, power assemblies, other prewired control apparatuses, and custom metal fabrication.

Divisions and Subsidiaries:

Pump & Lighting Company
300 East 9th Street
P.O. Box 34305
Charlotte, North Carolina 28234
(704) 377-1583

USCO Incorporated
115 Henderson Street
P.O. Box 1160
Monroe, North Carolina 28110
(704) 289-5406
A distributor of plumbing supplies, pumps and water systems with 12 sales outlets in the Carolinas.

Paine Supply Companies
220 One Stop Place
Pearl, Mississippi 39208
(601) 932-5556
A distributor of plumbing and refrigeration supplies with 14 sales outlets in Mississippi and Alabama.

Tri State Supply, Inc.
808 Lake Bradford Road
Tallahassee, Florida 32304
(904) 575-9674
Wholesale distributor of electrical supplies, contractors' and industrial tools, residential lighting fixtures and appliances.

Mills & Lupton Supply Company
749 East 12th Street
P.O. Box 1639
Chattanooga, Tennessee 37401
(615) 266-6171

One Stop Supply, Inc.
414 McNally Drive
P.O. Box 110031
Nashville, Tennessee 37222
(615) 834-0370

Transfer Agent(s):

Sun Bank, N.A.
P.O. Box 3833
Orlando, Florida 32897

Stock Exchange(s): New York

Ticker Symbol: HUG

Sales & Earnings

	Net Sales	Net Income
1989	$ 529,926,000	$ 6,394,000
1988	501,852,000	9,718,000
1987	432,366,000	9,223,000
1986	347,834,000	6,822,000
1985*	324,645,000	6,602,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	4,806,000	$ 1.33
1988	4,887,000	1.99
1987	5,001,000	1.84
1986	4,872,000	1.40
1985*	4,983,000	1.33

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.35	—	—
1988	0.31	—	
1987	0.27	—	—
1986	0.25	—	—
1985	0.21	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 92,687,000	$ 19.89
1988	91,331,000	18.89
1987	83,802,000	17.23
1986	77,284,000	15.60
1985	72,443,000	14.50

‡ Adjusted to reflect stock splits.

Income Account

Year ended	1/26/90	1/27/89
Net sales	$ 529,926,000	$ 501,852,000
Cost of sales	421,088,000	397,693,000
Expenses	81,947,000	75,036,000
Depreciation & amortization	9,100,000	8,737,000
Prov. for doubt. accts.	2,601,000	1,464,000
Interest expense	7,300,000	6,546,000
Interest income	(1,409,000)	(1,297,000)
Other income	(1,272,000)	(2,159,000)
Income before taxes	$ 10,571,000	$ 15,832,000
Income taxes	4,177,000	6,114,000
Net Income	$ 6,394,000	$ 9,718,000

Assets

As of	1/26/90	1/27/89
Cash & cash equiv.	$ 2,098,000	$ 2,997,000
Accts. receiv., net	72,711,000	65,533,000
*Inventories	92,268,000	89,452,000
Deferred inc. taxes	2,538,000	2,189,000
Other curr. assets	6,883,000	4,689,000
Current Assets	$ 176,498,000	$ 164,862,000
#Fixed assets	55,170,000	52,618,000
Other assets	4,615,000	6,897,000
Total Assets	$ 236,283,000	$ 224,377,000

Liabilities

Long-term debt, curr.	$ 5,556,000	$ 2,586,000
Accts. payable	42,880,000	40,080,000
Accrued payroll	4,920,000	6,032,000
Other accruals	5,105,000	5,542,000
Curr. Liabilities	$ 58,461,000	$ 54,240,000
Long-term debt	76,255,000	68,894,000
Oblig. under cap. leases	6,583,000	7,111,000
Deferred inc. taxes	1,635,000	2,137,000
Other liabilities	662,000	664,000
+Common stock	5,079,000	5,040,000
Add. paid-in capital	22,729,000	21,825,000
Retained earnings	72,131,000	67,704,000
Treasury stock	(7,252,000)	(3,238,000)
Total Liabilities & Shareholders' Equity	$ 236,283,000	$ 224,377,000

* At lower of cost (moving average or FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.99	3.15
%Net Income to Sales	1.21	1.94
%Net Income to Equity	6.90	10.64
Sales to Inventories	5.74	5.61
Debt to Equity	0.95	0.86
Working Capital	$ 118,037,000	$ 110,622,000
Current Ratio	3.02	3.04
Shareholders' Equity	$ 92,687,000	$ 91,331,000

Humphrey, Inc.

9212 Balboa Avenue
San Diego, California 92123
(619) 565-6631
FAX: (619) 565-6873

Officers: P. E. Humphrey, president & chairman of the board; R. T. Rutherford, sr. v.p.; H.H. Kries, vice president; C. R. Bonnell, vice president; J. L. Alviar, treasurer; D. J. Streed, secretary.

Directors: P. E. Humphrey, chairman; Romilly T. Rutherford, John R. Sorbo, Roger A. Humphrey, William S. Ivans.

Areas of Work: Develops, manufactures and sells electro-fluidic and electro-optical instruments for industry and defense. Products include vertical and directional gyroscopes, angular rate sensors, accelerometer switches, free gyros, rate gyros, artificial horizon gyros and repeaters accelographs, potentiometers, rate switches, stabilized platforms, flexure pivots, inertial reference systems, electric hand dryers, blowers, oceanographic components, automotive dynamic-test packages, and pendulums.

Transfer Agent(s):

California First Bank
Corporate Trust Department
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HUPH (NASDAQ)

Number of Employees:

1989	275	1986	207
1988	256	1985	234
1987	220		

Plant Footage:

1989	40,000 sq. ft.	1986	36,950
1988	35,164	1985	31,950
1987	34,394		

Sales & Earnings

	Net Sales	Net Income #
1989	$ 18,411,610	$ 313,346
1988	11,158,245	226,113
1987	11,022,273	(606,906)
1986	12,501,219	327,774
1985	11,678,660	239,710

	No. of Com. Shares	Earn. per Share #‡
1989	1,000,000	$ 0.31
1988	1,000,000	0.23
1987	1,000,000	—
1986	1,000,000	0.33
1985	1,000,000	0.24

(Loss)
# Including extraordinary gains of $30,300 ($0.03 per share) in 1989 and $75,500 ($0.08 per share) In 1988.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,699,008	$ 3.70
1988	3,385,662	3.39
1987	3,159,549	3.16
1986	3,766,455	3.77
1985	3,438,681	3.44

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 18,411,610	$ 11,158,245
Cost of sales	14,689,578	8,182,213
Expenses	2,819,068	2,386,505
Discounts & int. on accts. receiv. sold	114,958	87,805
Interest expense	307,260	257,109
Inc. bef. taxes	$ 480,746	$ 244,613
Income taxes	197,700	94,000
Net Income	$ 283,046	$ 150,613
Extraord. gain	30,300	75,500
Net Income & extraord. gain	$ 313,346	$ 226,113

* Included in Costs and Expenses, Depreciation and Amortization: $212,446 in 1989 and $226,077 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 194,837	$ 38,282
Receiv., net	2,122,438	2,305,331
*Inventories	5,341,790	4,296,349
Prepaid expenses	36,230	38,065
Fut. income tax benefit	58,500	—
Current Assets	$ 7,753,795	$ 6,678,027
#Fixed assets	955,144	831,135
Marketable securities	2,526	2,526
Deposits	722	100
Notes receivable	10,000	10,000
Cash value of life ins.	20,549	19,239
Total Assets	$ 8,742,736	$ 7,541,027

Liabilities

	1989	1988
Notes payable	$ 2,210,585	$ 2,391,155
Long-term debt, curr.	90,502	49,267
Accts. payable	732,452	1,007,936
Customer deposits	862,826	—
Accruals	670,667	432,319
Income taxes	226,417	18,770
Curr. Liabilities	$ 4,793,449	$ 3,899,447
Long-term debt	250,279	255,918
+ Common stock	1,594,667	1,594,667
Add. paid-in capital	1,000	1,000
Retained earnings	2,103,341	1,789,995
Total Liabilities & Shareholders' Equity	$ 8,742,736	$ 7,541,027

* At lower of cost (average or FIFO) or net realizable market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	2.61	2.19
%Net Income to Sales	1.54	1.35
%Net Income to Equity	7.65	4.45
Sales to Inventories	3.45	2.60
Debt to Equity	0.69	0.80
Working Capital	$ 2,960,346	$ 2,778,580
Current Ratio	1.62	1.71
Shareholders' Equity	$ 3,699,008	$ 3,385,662

ICOT Corporation

3801 Zanker Road
P.O. Box 5143
San Jose, California 95150-5143
(408) 433-3300
FAX: (408) 433-3300

Officers: Arnold N. Silverman, chairman of the board & president; Joel M. Becker, sr. v.p.; Bruce A. Kelley, sr. v.p.; Kenn T. Dahl, v.p.; Aamer Latif, v.p.; John E. Arnold, controller/treasurer; Ann B. Doherty, secretary.

Directors: William D. Witter, Neill H. Brownstein, Donald L. Lucas, Arnold N. Silverman, Joel M. Becker.

Areas of Work: The Company designs, manufactures and markets a line of PC-Connectivity products consisting primarily of local area network (LAN) gateways and PC-to-mainframe communication adapters for IBM PC's and compatibles.

Divisions and Subsidiaries:

ICOT International, Ltd.
2 Ashville Way
Wokingham, Berkshire RG11 2PL United Kingdom

ICOT Network Systems Division
One Apple Hill
P.O. Box 8179
Natick, Massachusetts 01760-8179
(617) 237-7722
Manufactures products that allow PC-to-mainframe networking.

ICOT Transaction Systems Division
3801 Zanker Road
P.O. Box 5143
San Jose, California 95150-5143
(408) 433-3300

Pathway Design, Inc.
Natick, Massachusetts
Manufactures products for the PC-Connectivity market.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ICOT (NASDAQ)

Number of Employees:

1989	N.A.	1988	240

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income #
1989	$ 23,397,000	$ (12,375,000)
1988	33,996,000	(6,432,000)
1987	49,740,000	6,233,000
1986	50,345,000	7,339,000
1985	32,385,000	2,123,000

	No. of Com. Shares +	Earn. per Share # +
1989	11,353,000	$ —
1988	10,848,000	—
1987	10,741,000	0.58
1986	10,556,000	0.69
1985	10,276,000	0.21

(Loss)
Including extraordinary credits of $2,494,000 ($0.23 per share) in 1987 and $2,363,000 ($0.22 per share) in 1986.
+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 13,475,000	$ 1.19
1988	25,850,000	2.38
1987	30,666,000	2.86
1986	21,475,000	2.03
1985	12,947,000	1.26

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	7/29/89	7/30/88
Net sales	$ 23,397,000	$ 33,996,000
Cost of sales	16,119,000	20,082,000
Expenses	11,994,000	15,794,000
Amort. of Pathway cost in exc. of assets acq.	3,939,000	98,000
Research & develop.	4,025,000	5,187,000
Interest income	(369,000)	(823,000)
Interest expense	91,000	90,000
Net Loss	$ (12,375,000)	$ (6,432,000)

* Included in Costs and Expenses, Depreciation and Amortization: $6,772,000 in 1989 and $3,279,000 in 1988.

Assets

As of July 30	7/29/89	7/30/88
Cash	$ 6,878,000	$ 10,993,000
Accts. receiv., net	2,421,000	5,189,000
* Inventories	1,411,000	6,713,000
Other curr. assets	631,000	704,000
Current Assets	$ 11,341,000	$ 23,599,000
# Fixed assets	1,581,000	3,528,000
Investment in secur.	7,500,000	—
Other assets	1,313,000	9,798,000
Total Assets	$ 21,735,000	$ 36,925,000

Liabilities

	7/29/89	7/30/88
Short-term borrowings	$ —	$ 4,000,000
Cap. lease oblig., curr.	55,000	44,000
Accts. payable	802,000	2,283,000
Accrued employee comp.	811,000	1,117,000
Deferred income	600,000	89,000
Restruc. reserve	2,706,000	—
Other accruals	1,920,000	3,020,000
Curr. Liabilities	$ 10,553,000	$ 10,553,000
Cap. lease oblig.	66,000	82,000
Oblig. under rent commit.	1,300,000	440,000
+ Common stock	2,412,000	2,212,000
Add. paid-in capital	34,626,000	34,826,000
Retained earnings (deficit)	(23,563,000)	(11,188,000)
Total Liabilities & Shareholders' Equity	$ 21,735,000	$ 36,925,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

	7/29/89	7/30/88
Sales to Inventories	16.58	5.06
Debt to Equity	0.11	0.18
Working Capital	$ 4,447,000	$ 13,046,000
Current Ratio	1.65	2.24
Shareholders' Equity	$ 13,475,000	$ 25,850,000

Illinois Tool Works Inc.

8501 West Higgins Road
Chicago, Illinois 60631
(312) 693-3040
FAX: (312) 399-0324

Officers: Harold Byron Smith, Jr., chairman of the exec. committee; John D. Nichols, chairman & chief exec. officer; Michael W. Gregg, v.p. & controller; Arthur M. Wright, v.p., gen. counsel & secretary; David Byron Smith, v.p. & treasurer; H. Richard Crowther, vice chairman, W. James Farrell, exec. v.p.-Specialty Mechanical Products; Thomas W. Buckman, v.p.-patents & technology; Sidney H. Paige, v.p.-human resources; Michael Hudson, v.p.-public affairs; Stephen J. Kaye, v.p.-corporate communications; John Deininger, exec. v.p.-Quality Assurance and Machinery Products; John G. Fowers, Jr., exec. v.p.-Signode Packaging Systems; Donald L. Van Erden, v.p.-research & advanced development; Robert Jenkins, exec. v.p.-Construction Prod..

Directors: Silas S. Cathcart, Edward Byron Smith, Harold Byron Smith, Jr., Ormand J. Wade, Edward F. Swift, John D. Nichols, J. Thomas Schanck, George D. Kennedy, John W. Vessey, Richard M. Jones, Richard H. Leet.

Areas of Work: Develops and manufactures a broad range of specialty products, principally industrial components; its two major product areas are Engineered Components, and Industrial Systems and Consumables. Engineered components include short-lead time plastic and metal components and small assemblies, metal fasteners and adhesives. Industrial systems and consumables include systems and related consumables for packaging, data entry, measuring, tools and specialty areas.

Divisions and Subsidiaries:

Paktron
Lynchburg, Virginia
Electronic components.

Fastex
Des Plaines, Illinois 60016
Plastic and metal components.

Buildex
Itasca, IL; Mineral Wells, Texas
Construction fasteners.

ITW Deltar
Mokena, Frankfort, Illinois
Automotive components.

Illitron
Chicago, Illinois 60645
Measuring systems and components.

Shakeproof/Industrial Products
Elgin, IL; Russellville, KY; Mineral Wells, Texas
Industrial fasteners.

Shakeproof/Specialty Products
Elgin, Illinois

Shakeproof/Automotive Products
Elgin, IL; Lancaster, WI; Russellville, Kentucky
Automotive fasteners.

Irathane
Hibbing, Minnesota

Philadelphia Resins
Montgomeryville, Pennsylvania

Meritex (Penang) SND. BHD.
Penang, Malaysia
Thermoplastic profile extrusions.

Hi-Cone
Charleston, IL; Fullerton, CA; Zebulon, NC; Itasca, Illinois
Multi-packaging.

Spiroid
2601 North Keeler Avenue
Chicago, Illinois 60639
Special gearing.

ITW Better Formed Metals
Plastic and metal components.

ITW Linac
Cable handling systems.

ITW QCS Tool Systems
Tool Systems.

ITW Heartland Components

ITW Illinois Tools
ITW Southern Gage
Specialty systems and components.

Automotive Controls
Elmhurst, Illinois

Chronomatic
Chicago, Illinois

ITW Switches
Chicago, IL; Hollywood, FL; Irvington, New Jersey

ITW Linx
Elk Grove Village, Illinois
Voltage protection equipment.

ITW Nexus
Wood Dale, Illinois

Plastiglide
Hawthorne, CA; Waterbury, Connecticut

ITW Woodworth
Ferndale, Michigan
Manufacture of work-holding devices and fixed limit gauges.

Thielex
Piscataway, New Jersey

ITW Fasteners Europe
Construction fasteners and systems and automotive and industrial fasteners.
ITW Buildex/Europe
ITW Shakeproof/Europe

Devcon Corporation
Wood Dale, Illinois
Automotive repair adhesives.

ITW Limited
Reading, England

ITW-Ateco G.m.b.H.
Hamburg, Letmathe, Weiden, Germany

ITW de France S.A.
Paris, France

ITW Fastex Italia, S.p.A.
Turin, Italy

W.A. Deutsher Pty Ltd
South Oakleigh, Australia

ITW Espana S.A.
Barcelona, Spain

ITW Hi-Cone Ltd.
Mallow, Ireland

Magnaflux Corporation
Chicago, Illinois
Manufactures quality control products.

Rust-Lick, Inc.
Danbury, Connecticut
Manufactures rust preventatives.

Signode Industries Inc.
3650 West Lake Avenue
Glenview, Illinois 60025
(312) 273-5180
Consumable products and systems including plastic and steel strapping, stretch film, industrial tape and protective paper packaging together with the machines and systems to apply these products.

Norwood Marking & Equipment Company
Downers Grove, Illinois
Produces hot stamp marking equipment used for the coding and marking--bar codes, batch dates, day codes, and product names--of consumer and industrial packaging products.

Multipak de Venezuela C.A. (48% owned)
Caracas & Valencia, Venezuela

Waterbury Buckle Company
Manufactures metal buckles.

Fixlock A.B.
Sweden
Manufactures specialty fastening products.

B & L Plastics Co.
Manufactures injected-molded components.

Ransburg Corporation
Manufactures capital equipment primarily for the automation of industrial processes.

Acquisitions:

DeVilbiss Industrial/Commercial Division
Manufactures and sells liquid coating systems.

Volstatic, Inc.
A powder coating system manufacturer.

Akron Standard
A manufacturer of tire uniformity machines, designed to test and correct defects in tires at production line rates.

Transfer Agent(s):

Continental Bank N.A.
231 South LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: ITW

Number of Employees:

1989	15,700
1988	14,200
1987	13,600
1986	13,700
1985	7,300

Sales & Earnings

	Oper. Revenues +	Net Income
1989	$ 2,172,747,000	$ 163,822,000
1988	1,929,805,000	140,012,000
1987	1,698,353,000	106,184,000
1986	961,077,000	79,583,000
1985	596,127,000	31,547,000

	No. of Com. Shares †	Earn. per Shares #
1989	53,666,000	$ 3.06
1988	52,794,000	2.66
1987	51,780,000	2.06
1986	51,254,000	1.56
1985	50,398,000	0.63

+ Includes net sales, equipment rentals and royalties.
† Adjusted to reflect stock splits.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Engineered components	$ 998,606,000	$ 964,742,000
Indust. syst. & consumables	1,177,902,000	973,125,000
Eliminations	(3,761,000)	(8,062,000)
Total	$ 2,172,747,000	$ 1,929,805,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.54	—	—
1988	0.44	—	
1987	0.39	—	2-for-1
1986	0.36	—	—
1985	0.34	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 871,124,000	$ 16.23
1988	744,727,000	14.11
1987	608,541,000	11.75
1986	476,550,000	9.30
1985	403,439,000	8.01

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Operating revenues	$ 2,172,747	$ 1,929,805
Operating costs	1,451,715	1,287,994
Expenses	417,874	369,138
Interest expense	30,995	26,109
Other expense	3,141	13,752
Income before taxes	$ 269,022	$ 232,812
Income taxes	105,200	92,800
Net Income	$ 163,822	$ 140,012

* Included in Costs and Expenses, Depreciation and Amortization: $84,719,000 in 1989 and $75,050,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 30,882	$ 26,696
Accts. receiv., net	380,233	316,500
*Inventories	365,194	315,624
Prepaid inc. taxes	23,349	17,565
Prepaid expenses	24,582	37,260
Current Assets	$ 824,240	$ 713,645
Invest. in leveraged leases	73,443	73,055
#Fixed assets	413,578	342,794
Goodwill	289,012	183,775
Other assets	87,712	66,968
Total Assets	$ 1,687,985	$ 1,380,237

Liabilities
(000's)

Short-term debt	$ 36,100	$ 31,690
Accts. payable	122,786	104,547
Accruals	177,789	142,676
Dividends payable	8,050	6,335
Income taxes	39,109	36,114
Curr. Liabilities	$ 383,834	$ 321,362
Long-term debt	334,407	225,907
Deferred inc. taxes	72,720	66,909
Other liabilities	25,900	21,332
+ Common stock	93,096	84,813
Retained earnings	771,782	634,913
Treasury stock	(1,316)	(1,142)
Foreign curr. transl.	7,562	26,143
Total Liabilities & Shareholders' Equity	$ 1,687,985	$ 1,380,237

* At lower of cost or market. Domestic inventories at LIFO; all others at FIFO.
# Less accumulated depreciation.
+ $3.33 3/8 par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.38	12.06
%Net Income to Revenues	7.54	7.26
%Net Income to Equity	18.81	18.80
Debt to Equity	0.43	0.35
Working Capital	$ 440,406,000	$ 392,013,000
Current Ratio	2.15	2.22
Shareholders' Equity	$ 871,124,000	$ 744,727,000

Imo Industries Inc.

(formerly Imo Delaval Inc.)

3450 Princeton Pike
P.O. Box 6550
Lawrenceville, New Jersey 08648
(609) 896-7600
FAX: (609) 896-7688

Officers: William J. Holcombe, chairman of the board & chief executive officer; Stephen F. Agocs, exec. v.p., general counsel & secretary; Donald W. Neukranz, exec. v.p.; Leffert G. Carroll, v.p. & chief financial officer; John J. Carr, exec. v.p.-instruments and controls; Brian Lewis, exec. v.p.-morse controls; Douglas W. Peacock, exec. v.p.-power systems; Robert A. Derr, II, v.p. & controller; J. Dwayne Attaway, exec. v.p.-electro-optical systems.

Directors: William J. Holcombe, chairman; Stephen F. Agocs, James B. Edwards, J. Spencer Gould, Richard J. Grosh, Carter P. Thacher.

Areas of Work: The Company's Instruments and Controls Business segment designs and produces transducers, switches and valves for sensing, measuring and controlling pressure, temperature, vibration, and liquid level and flow; spectrometers, optical systems, motor drives, cable and control systems, flexible couplings, fasteners, and night vision systems. The Power Systems Business segment produces turbines, compressors, condensers, bearings, a broad range of pumps, gears and a unique line of three-screw rotary pumps.

Operating Units:

INSTRUMENTS AND CONTROLS BUSINESS

Instruments

Baird Analytical Instruments
Baird Optical Systems

Miller-Holzwarth, Inc.
Bedford, Massachusetts
Salem, Ohio
Zoeterwoude, The Netherlands

Barksdale Controls
Los Angeles, California

CEC Instruments
Los Angeles, California

Fincor Electronics
York, Pennsylvania
Colorado Springs, Colorado

Gems Sensors
Plainville, Connecticut

Transinstruments
Basingstoke, U.K.
Reichelsheim, West Germany
Wetzikon, Switzerland

Mechanical Controls

Adel Fasteners
Huntington, West Virginia

Controlex
Croton Falls, New York

Morse Controls - Europe
Basildon, U.K.

Morse Controls-U.S.
Hudson, Ohio
Singapore

Wiggins Connectors
Los Angeles, California

Roltra Morse
Turin, Italy

POWER SYSTEMS BUSINESS

Power Transmission

Aeroproducts
Cleveland, Ohio

Boston Gear
Quincy, Massachusetts
Quincy, Massachusetts; Louisburg, North Carolina; Singapore

Delroyd Worm Gear
Trenton, New Jersey

Heim Bearings
Fairfield, Connecticut

Imo Pump-Europe
Stockholm, Sweden

Imo Pump-U.S.
Monroe, North Carolina
Columbia, Kentucky

Warren Pumps

POWER PRODUCTS AND SERVICES

Airfoil
Manchester, Connecticut

Centrimarc
Houston, Texas

Contura
Marysville, Washington

Delaval Condenser
Florence, New Jersey

Delaval Turbine
Trenton, New Jersey

Deltex Service
Houston, Texas

Turboflex
High Wycombe, England

Delaval Stork
Hengelo, The Netherlands

EPN Sistemas
Mexico City, Mexico

Varo, Inc.
2203 West Walnut Street
P.O. Box 461426
Garland, Texas 75046-1426
(214) 487-4100
Manufactures high-technology products, principally night vision equipment and image intensification tubes, weapons delivery systems, and power conversion products.

Transfer Agent(s):

American Transtech
P.O. Box 44037
Jacksonville, Florida 32232-4037

Stock Exchange(s): New York

Ticker Symbol: IMD

Number of Employees:

1989 8,300   1987 6,500
1988 7,700

Plant Footage:

1989 .... 5,149,000 sq. ft.   1987 3,617,000
1988 4,851,000

Sales & Earnings

	Net Sales +	Net Income
1989	$ 851,391,000	$ 33,942,000
1988	687,215,000	28,275,000
1987	368,463,000	20,120,000
1986	358,414,000	(10,986,000)
1985	384,700,000	8,000,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	18,055,520	$ 1.88
1988	15,912,272	1.78
1987	14,207,216	1.42
1986	14,508,810	—
1985	14,508,810	0.55

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Instruments & controls	$ 524,989	$ 370,696
Power systems	326,402	316,519
Total	$ 851,391	$ 687,215

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.41	—	—
1988	0.31	—	
1987	0.28	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 332,532,000	$ 18.42
1988	294,926,000	18.53
1987	208,186,000	14.65
1986	197,579,000	13.62
1985	205,399,000	14.16

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 851,391	$ 687,215
Cost of sales	603,306	477,645
Expenses:		
Sell., adm., & gen.	144,167	129,251
Res. & develop.	13,528	9,414
Nonrecurring inc.	(1,496)	(1,618)
Interest expense	43,078	29,442
Interest income	(2,722)	(915)
Other income	(2,227)	(633)
Eq. in inc. of unconsol. cos.	(3,381)	(1,675)
Income before taxes	$ 57,138	$ 46,304
Income taxes	20,495	18,029
Minority interest	2,701	—
Net Income	$ 33,942	$ 28,275

* Included in Costs and Expenses, Depreciation and Amortization: $30,920,000 in 1989 and $23,048,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 64,818	$ 4,799
Accts. receiv., net	215,270	131,875
Refundable taxes	4,730	4,394
*Inventories	212,416	164,631
Prepaid expenses	10,729	8,796
Current Assets	$ 507,963	$ 314,495
Invest. in unconsol. cos.	10,121	10,828
#Fixed assets	269,277	211,208
Other assets	31,367	36,392
Intangibles	199,963	183,084
Total Assets	$ 1,018,691	$ 756,007

Liabilities
(000's)

	1989	1988
Notes payable	$ 18,670	$ 11,299
Long-term debt, curr.	5,622	1,826
Accts. payable	91,367	38,852
Accruals	84,720	82,053
Inc. taxes payable	5,069	3,794
Curr. Liabilities	$ 205,448	$ 137,824
Long-term debt	421,799	279,597
Deferred inc. taxes	26,850	27,659
Other liabilities	23,158	16,001
Minority interest	8,904	—
+Common stock	18,406	18,244
Add. paid-in capital	77,010	73,253
Retained earnings	233,624	207,122
For. curr. trans.	4,987	4,031
Treasury stock	(1,495)	(7,724)
Total Liabilities & Shareholders' Equity	$ 1,018,691	$ 756,007

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	6.71	6.74
%Net Income to Sales	3.991	4.11
%Net Income to Equity	10.21	9.59
Sales to Inventories	4.01	4.17
Debt to Equity	1.34	0.99
Working Capital	$ 302,515,000	$ 176,671,000
Current Ratio	2.47	2.28
Shareholders' Equity	$ 332,532,000	$ 294,926,000

Industrial Acoustics Company

1160 Commerce Avenue
Bronx, New York 10462
(212) 931-8000
FAX: (212) 863-1138

Officers: Martin Hirschorn, president; Frederic M. Oran, exec. v.p.; Arnold W. Kanarek, sr. v.p. & secretary; John M. Handley, sr. v.p.-market development; Ellis Singer, v.p.-medical/life sciences; Morton I. Schiff, v.p.-special products; Robert E. Schmitt, v.p.-industrial products; Robert A. Schmidt, v.p.-air conditioning; Seymour Wasserman, v.p.-engineering services; August J. Sauter, Jr., v.p.-western region; David A. Collings, v.p.-research & development; Peter Kohner, v.p.-manufacturing; Thomas G. Hickinbotham, v.p.-finance & controller; Jasjit T. Ahluvalia, v.p.-management information systems; Robert J. Buelow, v.p.-architectural; Patrick J. Waters, v.p.-purchasing; Albert J. Cirulli, v.p.-design services; Sudhaker Risbud, asst. v.p.-industrial engineering services; Raymond E. Svana, asst. v.p.-personnel; Edward B. Saxton, v.p.-manufacturing, Industrial Acoustics Company S.C. Inc.; Stanley Gurian, asst. secretary & asst. treasurer; Neville N. Rosemin, Controller.

Directors: Martin Hirschorn, Frederic M. Oran, George J. Sotos, Arnold W. Kanarek, Henry E. Allen, Jorgen Svendsen.

Areas of Work: Develops, manufactures and markets noise control products. These products include 'packless' and energy-saving silencers, accoustically and fire-rated movable walls, doors and panels, studios for TV, radio and recording, modular medical rooms, shipboard and printing plant noise control systems, quiet air handling units, test facilities for jet engines and aircraft, and clog-resistant silencers for coal-burning plants.

Subsidiaries:

Intra-Acoustics Company, Ltd.
IAC Realty Corporation
Industrial Acoustics Company S.C., Inc.
IAC Development Corporation
Industrial Acoustics Company, GmbH
Industrial Acoustics Company, Ltd.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IACI (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1989	$ 94,648,000	$ 3,315,000
1988	87,808,000	3,389,000
1987	75,271,000	2,892,000
1986	58,471,000	1,417,000
1985	57,782,000	1,428,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,899,000	$ 1.14
1988	2,898,000	1.17
1987	2,898,000	1.00
1986	2,898,000	0.49
1985	2,940,000	0.49

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.25	—	—
1988	0.25	—	
1987	0.25	—	—
1986	0.25	—	—
1985	0.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 31,833,311	$ 10.98
1988	29,974,430	10.34
1987	27,469,986	9.48
1986	24,298,846	8.38
1985	23,557,718	8.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 94,647,851	$ 87,807,782
Other income	2,622,945	2,012,960
Total income	$ 97,270,796	$ 89,820,742
Cost of sales	78,071,345	71,408,248
Expenses	13,120,388	12,376,840
Interest expense	322,409	367,635
Other expense	714,366	435,641
Income before taxes	$ 5,042,288	$ 5,232,378
Income taxes	1,727,721	1,843,731
Net Income	$ 3,314,567	$ 3,388,647

* Included in Costs and Expenses, Depreciation and Amortization: $1,584,936 in 1989 and $1,460,086 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 7,093,850	$ 7,837,281
Short-term invest.	1,520,246	1,655,125
Accts. receiv., net	29,485,978	28,512,188
Costs in exc. of billings on contracts	2,293,708	—
*Inventories	6,576,050	5,227,203
Prepaid expenses	2,110,759	2,124,333
Current Assets	$ 49,080,591	$ 45,356,130
Investments	7,680,360	6,722,033
#Fixed assets	9,512,808	9,977,370
Defer. charges	994,577	777,310
Total Assets	$ 67,268,336	$ 62,832,843

Liabilities

Long-term debt & cap. lease oblig., curr.	$ 663,740	$ 628,305
Accts. payable & accruals	23,455,482	22,097,169
Income taxes	1,328,401	530,185
Def. inc. taxes	711,587	867,850
Cust. deposits	3,299,098	3,134,388
Billings on uncomp. contracts in exc. of costs	1,348,288	76,708
Curr. Liabilities	$ 30,806,5966	$ 27,334,605
Cap. lease oblig.	1,353,088	1,475,902
Long-term debt	1,659,419	2,317,421
Deferred credits	1,615,922	1,730,485
+ Common stock	289,894	289,831
Add. paid-in capital	1,673,020	1,668,552
For. curr. trans. adjust.	(39,683)	540,985
Eq. adjust. for pensions	(154,972)	—
Retained earnings	30,065,052	27,475,062
Total Liabilities & Shareholders' Equity	$ 67,268,336	$ 62,832,843

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.33	5.96
%Net Income to Sales	3.50	3.86
%Net Income to Equity	10.41	11.31
Sales to Inventories	14.39	16.80
Debt to Equity	0.12	0.15
Working Capital	$ 18,273,995	$ 18,021,525
Current Ratio	1.59	1.66
Shareholders' Equity	$ 31,833,311	$ 29,974,430

Information International, Inc.

5933 Slauson Ave.
Culver City, California 90233
(213) 390-8611
FAX: (213) 391-7724

Officers: Alfred L. Fenaughty, president & chief exec. officer; Joseph M. Walsh, chairman; Robert W. Waller, v.p.-engineering; John B. Hansen, v.p.-programming; Terry N. Taugner, v.p.-finance & treasurer; Stephen J. A'Hearn, v.p.-sales; Leroy M. Bell, v.p.-customer support; Donald G. Gerlich, v.p.-planning.

Directors: Joseph M. Walsh, chairman; Alfred L. Fenaughty, Robert W. Waller, Laurence S. Fordham, Joseph F. Engelberger, Oliver G. Selfridge, John McCarthy, Ronald Paolucci, Thomas J. Farrell.

Areas of Work: Manufactures, designs & support of electronic, laser and data communications equipment for the prepress operations of newspaper, magazine and directory publishers in the United States & overseas.

Subsidiaries:

Information International GRAFIX, Ltd.
64 High Street
Egham, Surrey TW20 9EY England

KBK, Inc.
Seventh Floor, New Otemachi Building
2-1, 2-Chome, Otemachi, Chiyoda, Ku
Tokyo, 100-9, Japan

Transfer Agents:

The Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IINT (NASDAQ)

Number of Employees:

1989	275	1986	378
1988	389	1985	388
1987	384		

Plant Footage:

1989	94,000 sq. ft.	1986	94,000
1988	94,000	1985	94,000
1987	94,000		

Sales & Earnings

	Revenue ‡	Net Income
1990	$ 38,288,419	$ 342,545
1989	36,209,099	1,356,184
1988	33,455,890	1,854,091
1987	34,183,881	2,468,391
1986	29,754,012	546,633

	No. of Com. Shares	Earn. per Share +
1990	2,308,386	$ 0.15
1988	2,275,736	0.60
1988	2,236,568	0.79
1987	2,437,408	1.03
1986	2,369,541	0.22

‡ Includes sales and equipment rentals; of continuing operations only.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 27,004,495	$ 11.70
1989	26,713,152	11.74
1988	25,427,162	11.37
1987	25,922,178	10.64
1986	23,210,326	9.80

Income Account *

Year ended Apr. 30	1990	1989
Net sales	$ 34,878,952	$ 30,994,916
Equip. rentals	3,409,467	5,214,183
Total revenues	$ 38,288,419	$ 36,209,099
Cost of revenues	19,816,095	19,722,220
Expenses	20,733,077	16,988,011
Interest income	(1,490,351)	(1,291,876)
Lawsuit settlement	1,250,000	1,250,000
Other expense (income)	(40,947)	18,125
Income before taxes	$ 520,545	$ 2,022,619
Income taxes	178,000	666,435
Net Income	$ 342,545	$ 1,356,184

* Included in Costs and Expenses, Depreciation and Amortization: $1,737,168 in 1990 and $1,278,995 in 1989.

Assets

As of Apr. 30	1990	1989
Cash	$ 277,358	$ 254,016
Short-term investments	9,500,826	7,665,551
Receiv., net	4,144,769	4,497,232
*Inventories	9,603,421	9,570,997
Prepaid expenses	163,354	162,962
Current Assets	$ 23,689,728	$ 22,150,758
Investments & notes receiv.	9,324,273	10,303,113
#Fixed assets	3,997,628	4,484,646
Total Assets	$ 37,011,629	$ 36,938,517

Liabilities

Accts. payable	$ 1,666,630	$ 1,500,139
Customer advances	4,181,473	4,409,805
Deferred inc. taxes	1,045,132	876,530
Payroll & vacation pay	1,833,996	1,716,648
Employee benefits	300,000	690,000
Dividend declared	263,091	259,498
Other accruals	226,543	87,476
Curr. Liabilities	$ 9,516,865	$ 9,540,096
Def. inc. taxes	490,269	685,269
+Common stock	707,282	704,744
Add. paid-in capital	13,357,795	13,237,970
Retained earnings	18,702,375	18,867,752
Treasury stock	(5,765,328)	(6,103,453)
Cum. trans. adjust.	2,371	6,139
Total Liabilities & Shareholders' Equity	$ 37,011,629	$ 36,938,517

* At lower cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.49	6.53
% Net Income to Sales	0.98	4.38
% Net Income to Equity	1.27	5.08
Sales to Inventories	3.63	3.24
Working Capital	$ 14,172,863	$ 12,610,662
Current Ratio	2.49	2.32
Shareholders' Equity	$ 27,004,495	$ 26,713,152

Insilco Corporation

(57% owned by INR Partners, a Texas general partnership)

300 North Marenfeld
Midland, Texas 79701
(915) 684-4411
FAX: (915) 688-7327

Officers: Joel L. Reed, president & chief executive officer; J. Randal Greaves, exec. v.p. & chief financial officer; A. J. Brune, v.p.; Walter G. Johnson, v.p.; Paul H. Luckett, v.p.; Randolph B. Marston, v.p.; Emelio A. Mattorano, v.p.-finance; Karen L. Wolf, v.p.-general counsel & secretary; Frank A. Bell, treasurer; Philip K. Woodlief, controller.

Directors: Jack E. Brown, Cyril Wagner, Jr., A. J. Brune, 111, Walter G. Johnson, J. Randal Greaves, Wesley E. Pittman, Joel L. Reed, Randolph B. Marston, Preston Townley, Donald J. Harper.

Areas of Work: In the area of electronics/communications, the Company's Basic Industries Division produces precision parts manufactured to close tolerances, principally for use in mainframe computer drives. The Computer Circuitry Group provides specialized wire harnesses, coaxial and multiconductor cable, and wire and cable assemblies to the computer and telecommunications industries. Signal Transformer Co., Inc. designs, manufactures and sells a full range of power transformers for use in electronic applications. Stewart Stamping manufactures and distributes formed wire and small precision stamped parts for the electronics and telecommunications industries and is licensed by Western Electric Company to manufacture and distribute telephone and computer connectors. Dual-Lite is engaged in the business of manufacturing and selling electrical products to the construction industry, including battery-powered emergency lighting equipment and systems and plug-in flexible wiring products.

In the area of metal parts, the Company's Steel Parts Corporation manufactures automobile parts, including clutch plates, suspension, engine and transmission component parts for original equipment automobile manufacturers. Thermal Components, Inc. designs and manufactures heat exchange products, including thin-walled tubing and air conditioning condensers and evaporators for the transportation and industrial equipment industries. Romac Metals, Inc. manufactures stainless steel tubing which is sold to broadly diversified markets. Thermalex Corporation, a joint venture between Thermal Components, Inc. and Mitsubishi Aluminum Co., Ltd., produces high-precision aluminum extrusions, principally for use in heat exchange applications. Valentec International Corporation manufactures components such as metal cartridges, cartridge link belts, and expendable projectiles primarily for the defense industry. Dayron Corporation manufactures mechanical and electromechanical fuses used in the defense industry.

Other Company operations include the supplying of paint, wallpaper and wallcoverings, high-school and college yearbooks and specialty book publishing, office products, and lighting equipment.

Divisions and Subsidiaries:

Basic Industries Division
Computer Circuitry Group, Inc.
Signal Transformer Co., Inc.
Stewart Stamping Corporation
Steel Parts Corporation
Thermal Components, Inc.
Valentec International Corporation
Taylor Publishing Company
Rolodex Corporation

Dayron Corporation
Orlando, Florida
Manufactures fuzes for military applications.

Romac Metals, Inc.
Troutman, North Carolina
Manufactures stainless steel tubing for applications in the marine, health care and architectural accessories industries.

Dual-Lite Inc.
Newtown, Connecticut
Manufactures battery-powered emergency lighting equipment.

Curtis Manufacturing Company, Inc.
Jaffrey, New Hampshire
Engaged in the marketing of computer accessories.

DAC Software, Inc.
Dallas, Texas
Supplies accounting software and related services to small businesses.

Metro Files Inc.
Publishes a line of directories.

Number of Employees:

1989	7,300	1986	7,800
1988	7,500	1985	7,400
1987	7,400		

Plant Footage:

1989	2,492,000 sq. ft.	1987	2,370,000
1988	N.A.	1986	2,203,000

N. A.- Not Available

Sales & Earnings

	Net Sales †	Net Income	No. of Com. Shares ‡	Earn. per Share ‡
12/31/89x	$ 762,235,000	$ (43,373,000)	58,583,000	$ —
12/31/88x#	177,955,000	(29,187,000)	57,500,000	—
9/30/88*+	573,793,000	11,408,000	21,657,000	0.55
12/31/87*	638,206,000	(10,679,000)	21,203,000	—
12/31/86*	662,474,000	16,119,000	21,081,000	1.58

NOTE: In 1988, through a combination of a cash tender offer and a subsequent cash merger. INR Partners became the controling stockholder of Insilco Corporation. The Acquisition is accounted for as having taken place on October 1, 1988. As used herein, Predecessor means Insilco Corporation prior to that date, while Successor means Insilco Corporation on or after that date.
(Loss)
x Successor.
* Predecessor.
# 3 months.
+ 9 months.
† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(000's)

	1989	1988
Electronics & communications	$ 187,910	$ 190,705
Metal parts	281,402	271,612
Paint products	108,335	104,732
Publishing & office products	169,165	155,854
Divested subsidiaries	15,423	28,845
Total	$ 762,235	$ 751,748

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
12/31/89x	$ —	—	—
12/31/88x	—	—	
9/30/88*	0.50	—	—
12/31/87*	1.00	—	—
12/31/86*	0.95	5%	—

+ Adjusted to reflect stock dividend.
x Successor.
* Predecessor.

Common Stock Equity

	Total Equity	Equity Per Share †
12/31/89x	$ 44,487,000	$ 0.76
12/31/88x	85,813,000	1.49
9/30/88*	378,277,000	17.47
12/31/87*	300,264,000	14.16
12/31/86*	330,560,000	15.68

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.
x Successor.
* Predecessor.

Income Account
(000's)

Year ended Dec. 31	1989 (3 months)	1988
Net sales	$ 762,235	$ 177,955
Cost of sales	517,829	130,620
Expenses	140,859	36,513
Depreciation	21,473	5,140
Amort. of intangibles	17,128	4,000
Interest expense	122,317	43,830
Interest income	(2,048)	(1,721)
Other expense (income)	(1,681)	51
Loss before taxes	$ (53,642)	$ (40,478)
Tax credit	(10,269)	(11,291)
Net Loss	$ (43,373)	$ (29,187)

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 32,971	$ 7,548
Accts. receiv., net	84,179	92,063
Other receivables	7,263	10,860
Refundable taxes	10,329	6,271
*Inventories	99,104	110,357
Prepaid expenses	6,705	10,562
Invest. in LPL	—	23,251
Other curr. assets	—	12,946
Current Assets	$ 240,551	$ 273,858
#Fixed assets	167,517	193,218
Long-term housing assets	41,468	55,241
Other assets	67,034	68,863
Intangibles	588,868	567,644
Total Assets	$ 1,105,438	$ 1,158,824

Liabilities
(000's)

Long-term debt, curr.	$ 17,036	$ 31,095
Oblig. for purch. of stock & warrants of Predecessor	2,458	43,527
Acq. exp. payable	3,447	27,700
Accrued interest pay.	24,298	19,177
Accts. payable	45,283	43,593
Cust. deposits	20,543	17,478
Accrued payroll	20,400	28,190
Accruals	38,645	14,640
Curr. Liabilities	$ 172,110	$ 225,400
Long-term debt	767,384	792,629
Other obligations	87,857	54,982
Warrants	33,600	—
+ Common stock	19,232	15,000
+ Class A stock	99,812	100,000
Retained earnings (deficit)	(72,560)	(29,187)
Notes receiv. from employees	(1,997)	—
Total Liabilities & Shareholders' Equity	$ 1,105,438	$ 1,158,824

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	7.69	1.61
Debt to Equity	17.63	9.60
Working Capital	$ 68,441,000	$ 48,458,000
Current Ratio	1.40	1.21
Shareholders' Equity	$ 44,487,000	$ 85,813,000

Instron Corporation

100 Royall Street
Canton, Massachusetts 02021
(617) 828-2500
FAX: (617) 828-2112

Officers: Harold Hindman, chairman of the board & chief executive officer; James M. McConnell, president & chief executive officer; George S. Burr, vice chairman; Joseph E. Amaral, v.p.-corporate technical director; Ian M. MacGregor, v.p. & managing director of Instron Limited; Cosmo S. Trapani, v.p.-finance & treasurer; Linton A. Moulding, v.p.-corp. director of manufacturing; Paul R. Rugo, secretary & clerk; Beryl Maddows, asst. secretary & asst. clerk; John R. Barrett, asst. treasurer.

Directors: James M. McConnell, George S. Burr, Jr., Paul R. Rugo, Nicholas J. Grant, Harold Hindman, Robert Cushman, Richard W. Young, Charles H. Ehlers, John W. Lacey, Peter R. Strong.

Instron Corporation

Areas of Work: Develops, manufactures and distributes electromechanical servohydraulic, rheometic, and electromagnetic resonance instruments, systems and accessories for assessing the physical and mechanical characteristics of the full spectrum of the earth's materials. The Company's product line includes instruments and systems that are microprocessor or computer controlled.

Subsidiaries:

Instron Limited
Coronation Road
High Wycombe
Bucks HP12 3SY, England

Instron International, Ltd.
England

Instron, S.A.
Buc, France

Instron Japan Company, Ltd.
Toyko, Japan

Instron Pty. Ltd.
Melbourne, Australia

Instron Canada, Ltd.
Burlington, Ontario, Canada

Equipamentos Cientificos Instron Ltda.
Sao Paulo, Brazil

Instron Asia Limited
Toyko, Japan

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): American

Ticker Symbol: ISN

Number of Employees:

1989	1,040	1986	1,037
1988	1,040	1985	1,039
1987	1,086		

Plant Footage:

1989	260,500 sq. ft.	1986	253,500
1988	N.A.	1985	245,000
1987	253,500		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income †
1989	$ 111,398,000	$ 3,245,000
1988	111,537,000	2,446,000
1987	95,749,000	3,336,000
1986	87,384,000	4,664,000
1985	78,917,000	4,279,000

	No. of Com. Shares +	Earn. per Share †#
1989	6,107,887	$ 0.53
1988	6,064,992	0.40
1987	5,949,474	0.54
1986	6,019,574	0.75
1985	6,002,202	0.69

† Including extraordinary gain of $452,000 ($0.07 per share) in 1985.
+ Adjusted to reflect stock splits.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	
1987	0.12	—	—
1986	0.115	—	2-for-1
1985	0.099	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 36,269,000	$ 5.94
1988	35,361,000	5.83
1987	33,946,000	5.71
1986	28,213,000	4.69
1985	23,795,000	3.96

+ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 111,398,000	$ 111,537,000
Cost of sales	65,589,000	65,761,000
Expenses	37,706,000	38,827,000
Special items charge	633,000	610,000
Oper. profit	$ 7,470,000	$ 6,339,000
Foreign exchange gains	(692,000)	(11,000)
Interest expense	3,109,000	2,067,000
Interest income	(288,000)	(23,000)
Income before taxes	$ 5,341,000	$ 4,306,000
Income taxes	2,096,000	1,860,000
Net Income	$ 3,245,000	$ 2,446,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,200,000 in 1989 and $3,058,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,128,000	$ 982,000
Accts. receiv, net	33,718,000	34,163,000
*Inventories	24,565,000	27,396,000
Deferred inc. taxes	1,654,000	868,000
Prepaid expenses & other assets	784,000	1,690,000
Current Assets	$ 61,849,000	$ 65,099,000
#Fixed assets	20,747,000	20,214,000
Other assets	2,323,000	953,000
Total Assets	$ 84,919,000	$ 86,266,000

Liabilities

Notes payable	$ 8,186,000	$ 12,449,000
Cap. lease oblig., curr.	106,000	152,000
Accts. payable	7,034,000	8,217,000
Accrued empl compensation	3,511,000	3,791,000
Accrued inc. taxes	1,347,000	1,920,000
Other accruals	6,136,000	5,483,000
Advanced payments	342,000	638,000
Curr. Laibilities	$ 26,662,000	$ 32,650,000
Long-term debt	18,327,000	15,409,000
Oblig. under cap. leases	—	120,000
Deferred inc. taxes	937,000	1,271,000
Long-term liabilities	2,724,000	1,455,000
+Common stock	6,184,000	6,141,000
Add. paid-in capital	990,000	790,000
Retained earnings	32,894,000	30,380,000
Cum. trans. adjust.	(3,075,000)	(1,226,000)
Treasury stock	(724,000)	(724,000)
Total Liabilities & Shareholders' Equity	$ 84,919,000	$ 86,266,000

* At lower of cost or market. Inventories valued at LIFO in U.S. & Japan, FIFO in all other countries.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	3.86	5.81
%Net Income to Sales	2.19	3.48
%Net Income to Equity	7.33	9.83
Sales to Inventories	4.07	3.35
Debt to Equity	0.84	0.72
Working Capital	$ 32,449,000	$ 19,136,000
Current Ratio	1.99	1.44
Shareholders' Equity	$ 33,361,000	$ 33,946,000

Instrument Systems Corporation

100 Jericho Quadrangle
Jericho, New York 11753
(516) 938-5544
FAX: (516) 938-5644

Officers: Harvey R. Blau, chairman of the board; Robert Balemian, president; Herbert J. Fleming, v.p.; Susan E. Reilly, secretary; Patrick L. Alesia, treasurer.

Directors: Bertrand Bell, Abraham Buchman, Turner F. Caldwell, Roy Carol, William H. Waldorf, Robert Balemian, Harvey R. Blau, Robert Bradley, Clarence A. Hill, Jr., Milton Paulson, Lester L. Wolff.

Areas of Work: Through its electronics subsidiary, Telephonics Corporation, the company is engaged in the manufacture of air traffic control systems, command and control systems, communications systems, processing and display systems, airborne and ground-based radar systems, microwave landing guidance systems, radio control and audio distribution systems, performance monitoring systems, microwave and audio components, and custom large scale integrated circuits.

Clopay Corporation produces specialty plastic films for disposable surgical and patient care products and disposable diapers. Also manufactures a broad line of garage doors for the residential, commercial and industrial markets.

Oneita Industries manufactures and distributes basic apparel products such as T-shirts sold to screenprinters; and infantswear and other knit products primarily sold to major merchandisers.

Through Western Synthetic Felt, the Company manufactures synthetic batting.

Through Standard-Keil Hardware, the Company manufactures specialty hardware for commercial refrigeration and beverage dispensing equipment.

Divisions and Subsidiaries:

Instrument Systems International, Inc.
State Road 686, Kil, 0.5
Vega Baja, Puerto Rico
(809) 858-1440

Telephonics Corporation
770 Park Avenue
Huntington, New York 11743
(516) 549-6000

Command Systems Division
Farmingdale, New York

Clopay Corporation
Cincinnati, Ohio

Oneita Industries

Western Synthetic Felt
Carson & Los Angeles, California

Standard-Keil Hardware
Allenwood, New Jersey

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ISY

Number of Employees:

1989 5,000   1988 5,000

Sales & Earnings

	Net Sales ‡	Net Income #
1989	$ 405,017,000	$ (14,944,000)
1988	314,864,000	8,830,000
1987	286,648,000	8,719,000
1986	204,727,000	8,102,000
1985	164,872,000	9,147,000

	No. of Com. Shares	Earn. per Share # +
1989	27,819,570	$ —
1988	27,545,920	0.07
1987	30,416,200	0.10
1986	30,338,067	0.25
1985	30,306,294	0.33

(Loss)
‡ Of continuing operations only.
# Including extraordinary gains of $3,720,000 (0.12 per share) in 1988, $3,168,000 ($0.10 per share) in 1987, $3,576,000 ($0.11 per share) in 1986 and $4,500,000 ($0.16 per share) in 1985.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Home & commercial prods.	$ 117,671,000	$ 110,565,000
Electronic communications equip.	105,840,000	50,875,000
Specialty plastic films	58,390,000	63,731,000
Textiles	123,116,000	89,693,000
Total	$ 405,017,000	$ 314,864,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 32,481,000	$ 1.17
1988	48,331,000	1.75
1987	56,000,000	1.84
1986	52,692,000	1.74
1985	46,766,000	1.54

‡ After allowing for preferred stock Second Series I at liquidation value.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 405,017,000	$ 314,864,000
Cost of sales	319,899,000	246,247,000
Expenses	60,739,000	49,628,000
Interest expense	13,315,000	4,553,000
Gain on pension plan rever.	—	(1,760,000)
Other expense	318,000	1,571,000
Income bef. taxes	$ 10,746,000	$ 14,625,000
Income taxes	4,643,000	6,559,000
Minority interest	1,348,000	92,000
Inc.-cont. oper.	$ 4,755,000	$ 7,974,000
Loss-discont. oper.	(19,699,000)	(2,864,000)
Net Income (Loss)	$ (14,944,000)	$ 5,110,000
Extraord. gain	—	3,720,000
Net Income (Loss) & extraord. gain	$ (14,944,000)	$ 8,830,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,521,000 in 1989 and $7,761,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 33,391,000	$ 6,947,000
Market. securities	—	7,986,000
Accts. receiv., net	67,818,000	40,024,000
Inc. not yet billed	9,536,000	5,292,000
* Inventories	61,067,000	81,521,000
Prepaid expenses	12,747,000	5,722,000
Current Assets	$ 184,559,000	$ 147,492,000
# Fixed assets	56,741,000	45,118,000
Other assets	29,635,000	30,545,000
Total Assets	$ 270,935,000	$ 223,155,000

Liabilities

Notes payable	$ 2,508,000	$ 13,672,000
Long-term debt, curr.	2,631,000	2,547,000
Accts. payable	31,981,000	29,322,000
Accruals	32,465,000	21,032,000
Income taxes	2,017,000	280,000
Curr. Liabilities	$ 71,602,000	$ 66,853,000
Long-term debt	116,645,000	20,883,000
Cap. lease oblig	4,827,000	6,041,000
Liab. of emp. stock ownership plan	3,311,000	3,815,000
Minority interest	25,002,000	12,248,000
Redeem. pref. stock	—	47,917,000
+ Preferred stock:		
Series A	—	2,000
Series I	427,000	427,000
+ Common stock	7,793,000	7,659,000
Add. paid-in capital	63,851,000	66,023,000
Retained earnings (deficit)	(12,385,000)	2,559,000
Deferred comp.	(3,962,000)	(4,723,000)
Redempt. val. Series A pref. stock	—	(700,000)
Treasury stock	(6,176,000)	(5,849,000)
Total Liabilities & Shareholders' Equity	$ 270,935,000	$ 223,155,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	—	7.81
Sales to Inventories	6.63	3.86
Debt to Equity	2.56	0.66
Working Capital	$ 112,957,000	$ 80,639,000
Current Ratio	2.58	2.21
Shareholders' Equity	$ 49,548,000	$ 65,398,000

Integrated Device Technology, Inc.

3236 Scott Boulevard
P.O. Box 58015
Santa Clara, California 95052-8015
(408) 727-6116
FAX: (408) 988-3029

Officers: D. John Carey, chairman & chief exec. officer; Leonard C. Perham, president & chief operating officer; Joseph F. Santandrea, v.p. & gen. mgr.-Subsystems Division & Assembly Operations; Alan H. Huggins, v.p. & gen. mgr.-Memory Division; Jay R. Zerfoss, v.p.-finance, chief financial officer & secretary; Charles E. Crane, v.p.-product assurance; John R. Mick, v.p.-product definition & applications engineering; Thomas B. Wroblewski, v.p.-human resources; Joseph J. Zabkar, v.p.-sales; Larry T. Jordan, v.p.-marketing; Charles R. Clark, v.p.-subsystems products; Fu-Chieh Hsu, v.p.-technology development; Daniel R. Morris, v.p.-logic products; Phillip L. Pare, v.p. & general manager-wafer fabrication operations; Richard R. Picard, v.p.-static random access memory products; John Payne, v.p. & general manager-microprocessor logic division; Michael J. Rooney, v.p.-FIFO interface products; Christopher P. Schott, v.p.-specialty memory products.

Directors: D. John Carey, chairman; Leonard C. Perham, Carl E. Berg, Louis B. Sullivan.

Areas of Work: Designs and manufactures complex proprietary and industry-standard integrated circuits using high-performance Complementary Metal Oxide Semiconductor (CMOS) and bipolar CMOS (BiCMOS) technology. Major product areas include: static random access memories (SRAMs), microprocessors, specialty memories, first-in-first-out (FIFO) memories, logic products, subsystems, complex logic products, and emitter-coupled logic (ECL) input/output (I/O) interface products.

Divisions:

Static RAM Division
Salinas, California

Subsystems Division
Santa Clara, California

Digital Signal Processing Division
Santa Clara, California

Technology Development Division
Santa Clara, California

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IDTI (NASDAQ)

Number of Employees:

1989 1,878   1986 691
1988 1,328   1985 478
1987 862

Sales & Earnings

	Net Sales	Net Income †
1989	$ 180,730,000	$ 17,942,000
1988	121,094,000	11,583,000
1987	77,807,000	2,565,000
1986	57,738,000	4,631,000
1985	38,392,000	5,565,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	25,465,000	$ 0.70
1988	25,272,000	0.46
1987	24,245,000	0.11
1986	21,038,000	0.22
1985	20,764,000	0.27

(Loss)
† Including extraordinary gains of $1,440,000 ($0.07 per share) in 1986 and $2,544,000 ($0.12 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 109,353,000	$ 4.29
1988	86,437,000	3.42
1987	71,792,000	2.96
1986	67,858,000	3.23
1985	24,959,000	1.20

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	4/2/89	3/27/88
Net sales	$ 180,730	$ 121,094
Cost of sales	84,844	55,733
Expenses:		
Res. and develop.	30,835	18,771
Sell., gen. and admin.	34,287	28,142
Interest income	(2,308)	(1,889)
Interest expense	3,168	2,280
Income before taxes	$ 29,904	$ 18,057
Income taxes	11,962	6,474
Net Income	$ 17,942	$ 11,583

* Included in Costs and Expenses, Depreciation and Amortization: $19,179,000 in 1989 and $13,733,000 in 1988.

Assets
(000's)

As of	4/2/89	3/27/88
Cash	$ 29,913	$ 28,787
Accts. receiv., net	33,453	25,607
*Inventories	27,901	21,168
Deferred inc. taxes	15,452	8,639
Prepaid expenses	1,860	3,682
Current Assets	$ 108,579	$ 87,883
#Fixed assets	87,502	63,646
Leasehold interests	1,531	1,775
Total Assets	$ 197,612	$ 153,304

Liabilities
(000's)

Long-term debt, curr.	$ 10,667	$ 7,752
Accts. payable	16,110	11,075
Accrued payroll	5,279	4,424
Deferred sales to distributors	12,918	9,990
Income taxes pay.	9,094	4,656
Other accruals	2,275	3,031
Curr. Liabilities	$ 56,343	$ 40,928
Long-term debt	25,177	20,905
Deferred inc. taxes	6,739	5,034
+Common Stock	25	24
Add. paid-in capital	76,396	70,922
Retained earnings	33,591	15,649
For. curr. trans. adjust.	(264)	27
Treasury stock	(395)	(185)
Total Liabilities & Shareholders' Equity	$ 197,612	$ 153,304

* At lower of standard cost (adjusted to approx. actual cost on a FIFO basis) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.55	14.91
%Net Income to Sales	9.93	9.57
%Net Income to Equity	16.41	13.40
Sales to Inventories	6.48	5.72
Debt to Equity	0.33	0.33
Working Capital	$ 82,236,000	$ 46,955,000
Current Ratio	4.12	2.15
Shareholders' Equity	$ 109,353,000	$ 86,437,000

Intel Corporation

3065 Bowers Avenue
Santa Clara, California 95052-8131
(408) 765-8080
FAX: (408) 987-5686

Officers: Gordon E. Moore, chairman of the board; Robert N. Noyce, vice chairman; Andrew S. Grove, president & chief executive officer; Laurence R. Hootnick, sr. v.p. & gen. mgr.-operations, Embedded Controller and Memory Group; Leslie L. Vadasz, sr. v.p. & gen. mgr.-Systems Group; David L. House, sr. v.p. & gen. mgr.-Microcomputer Components Group; Keith L. Thomson, v.p. & gen. mgr.-Operations Systems Group; Harold E. Hughes, Jr., v.p. & dir.-Business Development, Microcomputer Group; Richard D. Boucher, v.p.-corp. programs; Ronald J. Whittier, v.p. & dir.-marketing; Craig R. Barrett, executive v.p.; Robert T. Jenkins, v.p. & gen. mgr.-Memory Components Division; Gerhard H. Parker, v.p. & gen mgr.-Component Technology & Development Group; Robert W. Reed, sr. v.p., dir.-Administration Group & chief financial officer; F. Thomas Dunlap, Jr., v.p., gen. counsel & secretary; Frank C. Gill, sr. v.p. & dir.-sales & marketing; Bernard P. Giroud, v.p. & president-Intel Europe; Albert Y.C. Yu, v.p. & gen. mgr.-Micro Products Group; Jean-Claude Cornet, v.p. & gen. mgr.-Micro Products Group; Carlene M. Ellis, v.p. & dir.-Administration Group; G. Carl Everett, v.p. & dir.-North America Sales & Marketing; Arvind Sodhani, treasurer.

Directors: Gordon E. Moore*, chairman; Arthur Rock*, Andrew S. Grove*, D. James Guzy, Richard Hodgson, Sanford Kaplan, Robert N. Noyce*, Max Palevsky, Charles E. Young, Leslie L. Vadasz*, David Yoffie.

* Member of the Executive Committee

Areas of Work: Engaged in the design, development, manufacture and sale of VLSI (very large scale integrated) semiconductor components and systems incorporating these components.

Subsidiaries:

Intel Corporation S.A.R.L.
1 Rue Edison-BP 303
78054 St. Quentin en Yvelines Cedex
France

Intel Japan K.K.
5-6 Tokodai
Tsukuba-shi
Ibaraki-ken, 300-26, Japan

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTC (NASDAQ)

Number of Employees:

1989	21,700	1986	18,200
1988	20,800	1985	25,400
1987	N.A.		

Plant Footage:

1989	4,873,000 sq. ft.	1986	3,972,000
1988	4,268,000	1985	N.A.
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Revenues	Net Income †	No. of Com. Shares +	Earn. per Share †#
1989	$ 3,126,833,000	$ 391,021,000	184,516,000	$ 2.07
1988	2,874,769,000	452,922,000	180,540,000	2.51
1987	1,907,105,000	248,055,000	168,332,000	1.38
1986	1,265,011,000	(173,165,000)	176,659,000	—
1985	1,364,982,000	1,570,000	174,117,000	0.01

(Loss)
† Including extraordinary gain of $10,119,000 in 1986.
+ Adjusted to reflect stock split.
# Based on the weighted average number of capital shares and capital share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 2,548,803,000	$ 13.81
1988	2,080,054,000	11.52
1987	1,276,425,000	7.58
1986	1,245,227,000	7.05
1985	1,421,481,000	8.16

# Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net revenues	$ 3,126,833	$ 2,874,769
Cost of sales	1,720,979	1,505,925
Expenses	848,540	774,531
Interest expense	96,127	76,206
Interest income	(121,834)	(110,955)
Income bef. taxes	$ 583,021	$ 629,062
Income taxes	192,000	176,140
Net Income	$ 391,021	$ 452,922

* Included in Costs and Expenses, Depreciation: $237,160,000 in 1989 and $210,934,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,063,734	$ 929,712
Short-term invest.	26,005	41,388
Accts. receiv., net	568,709	506,477
*Inventories	347,077	365,936
Prepaid inc. taxes	127,822	103,493
Other curr. assets	29,526	22,852
Current Assets	$ 2,162,873	$ 1,969,858
#Fixed assets	1,284,050	1,122,459
Investments	507,669	421,900
Other assets	39,391	35,519
Total Assets	$ 3,993,983	$ 3,549,736

Liabilities
(000'S)

Short-term debt	$ 156,499	$ 200,194
Commercial paper	—	17,000
Accts. payable	165,352	152,542
Deferred inc. on shipments	95,951	99,805
Accrued compensation	164,859	152,488
Other accruals	172,048	155,788
Income taxes payable	166,517	156,131
Curr. Liabilities	$ 921,226	$ 933,948

Long-term debt	412,480	479,273
Deferred inc. taxes	111,474	56,461
+ Common stock	185	181
Add. paid-in capital	1,165,191	1,087,467
Retained earnings	1,383,427	992,406
Total Liabilities & Shareholders' Equity	$ 3,993,983	$ 3,549,736

* At lower of cost (currently adjusted standard basis) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value.

Statistical Summary

% Income bef. Taxes to Revenues	18.65	21.88
%Net Income to Revenues	12.51	15.76
%Net Income to Equity	15.34	21.77
Debt to Equity	0.22	0.33
Working Capital	$ 1,341,647,000	$ 1,035,910,000
Current Ratio	2.63	2.11
Shareholders' Equity	$ 2,548,803,000	$ 2,080,054,000

Intergraph Corporation

One Madison Industrial Park
Huntsville, Alabama 35894-0001
(205) 730-2000
FAX: (205) 730-2164

Officers: Elliot D. James, president; Richard H. Lussier, exec. v.p.; Maurice G. Romine, exec. v.p.; James F. Taylor, Jr., exec. v.p.; John M. Thorington, Jr., exec. v.p.; Allan B. Wilson, exec. v.p.; Larry J. Laster, exec. v.p.; Edward J. Blaum, v.p.; Edward F. Boyle, v.p.; Thomas G. Burridge, v.p.; John W. Gridley, Jr., v.p.; George M. Heeschen, v.p.; Bruce E. Imsand, v.p.; Neil E. Keith, v.p.; Robert L. Kuehlthau, v.p.; Lawrence F. Ayers, Jr., v.p.; Bruce J. Brasseale, v.p.; Michael J. Cunningham, v.p.; Milford B. French, v.p.; Douglas B. Gerull, v.p.; Robert A. Glasier, v.p.; Jeffrey P. Heath, v.p.; Larry V. Janzen, v.p.; Stephen J. Phillips, v.p.; Trevor Postlethwaite, v.p.; Leonard M. Rand, v.p.; Attilio Rimoldi, v.p.; Howard G. Sachs, v.p.; John W. Wilhoite, v.p.; Edward A. Wilkinson, v.p.; Manfred Wittler, v.p.; William E. Salter, v.p.; James H. Dorton, treasurer; John R. Wynn, secretary.

Directors: James W. Meadlock, chairman; Roland E. Brown, Larry J. Laster, Nancy B. Meadlock, Keith H. Schonrock, Jr., James F. Taylor, Jr., Robert E. Thurber.

Areas of Work: Supplies interactive turnkey computer graphics systems, including a host computer, workstations and terminals, to create and support databases for a variety of industries.

Foreign Subsidiaries:

Intergraph Europe, Inc.
Hoofddorp, The Netherlands

Intergraph (Benelux) BV
Brussels, Belgium

Intergraph (Scandinavia) A/S
Frederiksberg, Denmark

Intergraph (Finland) Oy
Espoo, Finland

Intergraph (France) S.A.R.L.
Rungis Cedex, France
Yvette, France

Intergraph Italia S.p.A.
Milanofiori, Italy

Intergraph (Benelux) BV
Aalsmeer, The Netherlands

Intergraph (Norge) A/S
Asker, Norway

Intergraph (Espana) S.A.
Barcelona, Spain
Madrid, Spain

Intergraph (Scandinavia) AB
Taby, Sweden

Intergraph (Switzerland) AG
Zurich, Switzerland

Intergraph (Great Britain) Ltd.
Swindon, U.K.
Derby, United Kingdom

Intergraph (Deutschland) GmbH
Munich, West Germany

Intergraph Corporation Pty., Ltd.
Sydney (North Ryde), Adelaide, Brisbane, Perth, Melbourne, Australia

Intergraph Systems, Ltd.
Calgary, Edmonton, Mississauga, Montreal (Verdun), Ottawa, Vancouver (Burnaby), Canada

Intergraph Middle East Ltd.
Larnaca, Cyprus

Nihon Intergraph K.K.
Tokyo, Japan

Intergraph Korea, Inc.
Seoul, South Korea

Intergraph de Mexico S.A. de C.V.
Mexico City, Mexico

Intergraph Corporation (N.Z.), Ltd.
Wellington, New Zealand

Intergraph Systems South-East Asia (Pte), Ltd.
Singapore

Intergraph Corporation Taiwan
Taipei, Taiwan

Intergraph Servicios de Venezuela C.A.
Caracas, Venezuela

Domestic Subsidiaries:

Optronics Inc.
Manufactures computer-oriented electro-optical components and systems.

Tangent Systems Corp. (82% interest)
Develops computer software products.

CNR Research Inc. (50% interest)

Bentley Systems, Inc. (50% interest)
A computer graphics software development company.

Acquisition:

Quintus Computer Systems Inc.
Mountainview, California
A developer of Prolog-based software development tools.

Transfer Agent(s):

Citizens & Southern National Bank
Atlanta, Georgia 30399

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INGR (NASDAQ)

Number of Employees:

1989	8,200	1986	5,700
1988	7,300	1985	5,100
1987	6,300		

Plant Footage:

1989	1,566,000 sq. ft.	1987	1,027,000
1988	1,096,200		

Sales & Earnings

	Net Sales	Net Income
1989	$ 860,062,000	$ 79,502,000
1988	800,160,000	87,986,000
1987	641,083,000	69,876,000
1986	605,737,000	70,362,000
1985	526,405,000	67,779,000

	No. of Com. Shares †	Earn. per Share ‡
1989	50,046,306	$ 1.48
1988	56,929,220	1.55
1987	56,380,703	1.23
1986	56,395,714	1.26
1985	55,357,935	1.25

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1987	—	—	
1986	—	—	—
1985	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 629,759,000	$ 12.58
1988	667,076,000	11.72
1987	567,198,000	10.06
1986	496,157,000	8.80
1985	402,964,000	7.28

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues:		
Sales	$ 631,251	$ 590,690
Service & equip. rentals	228,811	209,470
Total income	$ 860,062	$ 800,160
Cost of revenues	440,217	388,005
Expenses:		
Prod. develop.	91,486	82,764
Marketing	156,935	118,430
Gen. & adm.	79,957	78,444
Interest expense	926	555
Interest income	(13,555)	(13,105)
Gains on sales of investments	(13,469)	—
Other expense (income)	(1,807)	6,268
Income before taxes	$ 119,372	$ 138,799
Income taxes	39,870	50,813
Net Income	$ 79,502	$ 87,986

* Included in Costs and Expenses, Depreciation and Amortization: $48,330,000 in 1989 and $35,402,000 in 1988.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	$ 61,978	$ 100,082
Short-term invest.	29,101	80,082
Accts. receiv., net	273,215	270,470
*Inventories	189,977	175,906
Other curr. assets	19,665	11,480
Current Assets	$ 573,936	$ 638,020

Investments	28,500	8,017
#Fixed assets	185,077	171,943
Other assets	20,513	12,696
Total Assets	$ 808,026	$ 830,676

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 10,430	$ 1,630
Accts. payable	42,821	44,168
Accrued compensation & other accruals	53,340	42,694
Billings in exc. of sales	33,542	33,228
Income taxes	17,405	35,225
Curr. Liabilities	$ 159,538	$ 156,945
Long-term debt	7,069	2,834
Deferred inc. taxes	11,660	3,821
+ Common stock	5,693	5,693
Add. paid-in capital	241,360	242,591
Retained earnings	498,294	418,792
Treasury stock	(115,588)	—
Total Liabilities & Shareholders' Equity	$ 808,026	$ 830,676

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.88	17.35
%Net Income to Revenues	9.24	11.00
%Net Income to Equity	12.62	13.19
Debt to Equity	0.03	0.01
Working Capital	$ 414,398,000	$ 481,075,000
Current Ratio	3.60	4.07
Shareholders' Equity	$ 629,759,000	$ 667,076,000

Intermec Corporation

4405 Russell Road
P.O. Box 360602
Lynnwood, Washington 98046
(206) 348-2600
FAX: (206) 355-9551

Officers: John W. Paxton, president & chief exec. officer; Roger C. Palmer, v.p.-research; Dale Kelley, v.p.-engineering; Louis R. Kertesz, v.p.-corporate services; Joseph E. Beebe, sr. v.p.; Michael Ohanian, v.p.-Federal Systems Group; Gregory L. Tannheimer, v.p.-marketing & sales; Peter Pottschulte, v.p.-International Sales & Marketing; Frederick V. Steffan, secretary & general counsel; Ronald L. Tilden, corporate controller.

Directors: John W. Paxton, David B. Pivan, William H. Gates, Roger G. Harker, Charles L. Anderson, Robert D. O'Brien, John W. Zevenbergen, R. David Garwood.

Areas of Work: Designs, manufactures and markets bar code related products including impact and thermal printers, laser scanners, port concentrators, accessories, tags and labels. Products are used mainly in industry data capture systems such as inventory control, hospital record tracking, library circulation control, shipping/receiving, and stock/finished goods control.

Subsidiaries:

INTERMEC Media Products
9615 Inter Ocean Drive
Cincinnati, Ohio 45246
(513) 874-5882

INTERMEC Strichode Systeme GmbH
Hohestr 31-33
6380 Bad Homburg
West Germany
011-49-6172-
FAX: 25238

INTERMEC Systems Corp.
Ontario 92680 Canada
(714) 259-1511

INTERMEC Strichcode AG
Zurich, Switzerland

Affiliates:

INTERMEC UK Ltd.
Reading, England

Data Collection Systems, Inc.
Minneapolis, Minnesota

Acquisition:

Harefa B.V.
Nijmegen, The Netherlands
A dutch manufacturer of media products and supplies.

Transfer Agent(s):

First Interstate Bank Ltd.
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTR (NASDAQ)

Number of Employees:

1989	1,350	1987	543
1988	734	1986	484

Plant Footage:

1989	312,000 sq. ft.	1987	166,300
1988	166,300		

Sales & Earnings

1990	$ 168,481,000	$ 11,515,000
1988	131,112,000	8,036,000
1988	93,618,000	4,881,000
1987	67,905,000	2,528,000
1986	51,891,000	1,523,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	7,628,000	$ 1.51
1989	6,965,000	1.15
1988	6,616,000	0.74
1987	6,430,000	0.39
1986	6,377,000	0.24

‡ Based on the average number of shares outstanding during the year.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 101,539,000	$ 13.31
1989	54,817,000	7.87
1988	41,117,000	6.21
1987	34,286,000	5.33
1986	31,069,000	4.87

‡ Based on the average number of shares outstanding during the year.

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Revenues	$ 168,481	$ 131,112
Cost of revenues	77,547	57,884
Expenses	72,220	58,872
Costs assoc. with acq. of distrib. channels	1,478	2,548
Interest expense	1,282	1,253
Interest income	(951)	(796)
Income before taxes	$ 16,905	$ 11,351
Income taxes	5,390	3,315
Net Income	$ 11,515	$ 8,036

* Included in Costs and Expenses, Depreciation and Amortization: $5,568,000 in 1990 and $4,666,000 in 1989.

Assets
(000's)

As of	1990	1989
Cash	$ 1,593	$ 1,255
Short-term investments	25,000	—
Accts. receiv., net	38,596	40,009
* Inventories	33,881	27,659
Def. inc. tax benefits	1,746	2,152
Other curr. assets	665	693
Current Assets	$ 101,481	$ 71,768
# Fixed assets	41,620	13,878
Land held for invest.	3,472	3,262
Equity invest.	2,040	1,906
Goodwill	3,150	3,113
Other assets	3,828	4,953
Total Assets	$ 155,591	$ 98,880

Liabilities
(000's)

Notes payable	$ 4,057	$ 16,985
Long-term debt, curr.	1,041	37
Accts. payable	10,137	10,533
Accrued compensation	5,754	4,775
Accrued payroll	585	884
Income taxes pay.	595	269
Unearned service revenue	3,101	2,086
Other liabilities	1,883	2,488
Curr. Liabilities	$ 27,153	$ 38,057
Long-term debt	26,029	5,008
Deferred inc. taxes	870	998
+ Common stock	4,990	4,168
Add. paid-in capital	58,400	24,078
Retained earnings	37,978	26,463
For. curr. trans. adjust.	171	108
Total Liabilities & Shareholders' Equity	$ 155,591	$ 98,880

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.60 par value.

Statistical Summary

% Income bef. taxes to Sales	10.03	8.66
% Net Income to Sales	6.83	6.13
% Net Income to Equity	11.34	14.66
Sales to Inventories	4.97	1.74
Debt to Equity	0.31	0.40
Working Capital	$ 74,328,000	$ 33,711,000
Current Ratio	3.74	1.89
Shareholders' Equity	$ 101,539,000	$ 54,817,000

International Business Machines Corporation

Old Orchard Road
Armonk, New York 10504
(914) 765-1900
FAX: (914) 765-4190

Officers: John F. Akers, chairman of the board; Jack D. Kuehler, president; Frank A. Metz, Jr., sr. v.p.-finance & planning; C. Michael Armstrong, sr. v.p.; George H. Conrades, sr. v.p.; Carl J. Conti, sr. v.p.; Terry R. Lautenbach, sr. v.p.; Walton E. Burdick, sr. v.p.; Patrick A. Toole, sr. v.p.; David E. McKinney, sr. v.p.; Donato A. Evangelista, v.p. & general counsel; John P. Cunningham, v.p. & controller; John A. Armstrong, vice president; Michael J. Attardo, vice president; James A. Cannavino, vice president; Ralph W. Clark, vice president; Kenneth W. Dam, vice president; James E. Dezell, Jr., vice president; Nicholas M. Donofrio, vice president; Gerald W. Ebker, vice president; Howard G. Figueroa, vice president; Lucie J. Fjeldstad, vice president; Larry J. Ford, vice president; James J. Forese, vice president; Heinz K. Fridrich, vice president; Richard T. Gerstner, vice president; Victor J. Goldberg, vice president; William O. Grabe, vice president; Joseph M. Guglielmi, vice president; Lutz F. Hahne, vice president; Ellen M. Hancock, vice president; Arthur J. Hedge, Jr., vice president; Hans-Olaf Henkel, vice presient; John J. Higgins, vice president; Harry L. Kavetas, vice president; Edward J. Kfoury, vice president; Robert J. LaBant, vice president; Ned C. Lautenbach, vice president; Paul R. Low, vice president; Edward E. Lucente, vice president; Marvin L. Mann, vice president; David E. McDowell, vice president; Charles E. McKittrick, Jr., vice president; Ennio Presutti, vice president; M. Bernard Puckett, vice president; Michael J. Quinlan, vice president; Renato Riverso, vice president; Edward F. Rogers, vice president; Peter R. Schneider, vice president; Stephen B. Schwartz, vice president; Takeo Shiina, vice president; Robert M. Stephenson, vice president; Nancy H. Teeters, vice president; David M. Thomas, vice president; John M. Thompson, vice president; James T. Vanderslice, vice president; Earl F. Wheeler, vice president; Robert Ripp, treasurer; William W. K. Rich, secretary; Joe Grills, asst. treasurer; Ira D. Hall, asst. treasurer; Robert N. Mattson, asst. treasurer; John H. Stewart, asst. treasurer; Michael H. Van Vranken, controller.

Directors: John F. Akers, chairman; Stephen D. Bechtel, Jr., Harold Brown, James E. Burke, Frank T. Cary, William T. Coleman, Jr., Thomas F. Frist, Jr., Fritz Gerber, Nicholas deB. Katzenbach, Nanerl O. Keohane, Jack D. Kuehler, Richard W. Lyman, J. Richard Munro, Thomas S. Murphy, Helmut Sihler, John R. Opel, John B. Slaughter, Edgar S. Woolard, Jr..

Areas of Work: The Company's operations are primarily in the field of information handling systems, equipment and services to solve the problems of business, government, science, space exploration, defense, education, medicine and many other areas of human activity. Products include information processing products and systems, program products, communications systems, workstations, typewriters, copiers, educational and testing materials, and related supplies and services

Divisions:

Information Systems Group

National Distribution Division

Marketing responsibility in U.S. for selected systems and high-volume products delivered through alternate channels of distribution. Also responsible for manufacturing or procurement and marketing within the U.S. of IBM supplies and accessories.

North-Central Marketing Division

Markets the full standard line of IBM products in its geographic area.

South-West Marketing Division

Markets the full standard line of IBM products in its geographic area.

National Service Division

Provides service for assigned products; manages services business within the U.S. and its territories; and supports IBM's marketing efforts.

Information Systems and Technology Group

Data Systems Division

Worldwide development responsibility for large, complex systems, with primary emphasis on high-performance products and associated programming, plus U.S. manufacturing responsibility for those systems. Also supplies computer components, including logic and selected memory technologies, used in products that it and other IBM divisions manufacture in the U.S.

General Technology Division

Worldwide development and United States manufacturing responsibility for the component technology requirements of the low-to-moderate price computers made by the General Systems Division and products of the Office Products Division.

Systems Technology Division

Develops and manufactures intermediate processors and printers and develops programming systems.

General Products Division

Worldwide development and United States manufacturing responsibility for computer tape units, disk files and printers.

Information Systems and Communications Group

Communication Products Division

Worldwide development and U.S. manufacturing responsibility for communications equipment, terminal products and related communications, technologies and programming.

Entry Systems Division

Worldwide development and product management, and U.S. manufacturing responsibility for IBM's general purpose, low-cost, personal use computer systems and related software.

Information Systems and Products Group

Information Products Division

Markets disk packs and data modules; manufactures and markets data processing cards, magnetic tape and cards, business forms and other consumable products used in information-handling systems.

Systems Products Division

Worldwide developments and United States manufacturing responsibility for central processor products including main storage, logic technologies, packaging technology, channels and cables; development and implementation of advanced design and manufacturing support systems.

Other Divisions:

Federal Systems Divisions

Concentrates on advanced technology and systems for the ground-based, seaborne, airborne and spaceborne information-handling systems and control needs of the U.S. Government.

Real Estate and Construction Division

Arranges for the construction, purchasing or leasing of new company facilities. Develops technologies of potential long-range importance.

Research Division

Brings scientific understanding to bear on areas of company interest through basic research and development of technologies of potential long-range importance.

Subsidiaries:

IBM Instruments, Inc.

Markets and services products in the analytical instruments field.

IBM Credit Corporation

Offers lease financing of IBM products, either directly or through partnerships, and finances installment receivables resulting from sales by IBM of its information processing systems and equipment to customers in the U.S. It also finances non-IBM equipment.

IBM World Trade Corporation

Conducts IBM's business outside the United States directly or through its subsidiaries.

IBM Americas/Far East Systems Corporation

Conducts IBM's business in 44 countries, including Australia, Brazil, Canada, and Japan.

IBM World Trade Europe/Middle East/Africa Corporation

Responsible for IBM operations in 77 countries, including the USSR, and the Eastern European countries.

International Video Disk Corporation

Rolm Corporation

Has worldwide development, manufacturing and marketing responsibility for fully integrated computerized business communication systems including private branch exchanges, voice messaging systems, circuit switched data systems, desktop products, and related applications.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Philadelphia, Pacific, Midwest, Cincinnati, Boston, Montreal, Toronto, Austria, Belgium, England, France, Japan, Switzerland, The Netherlands, West Germany

Ticker Symbol: IBM

Number of Employees:

1989	383,220	1986	403,508
1988	387,112	1985	405,535
1987	389,348		

Plant Footage:*

1989	91.6 sq. ft.	1988	95.3

*Square feet in millions.

Sales & Earnings

	Revenue ‡ (000's)	Net Income (000's)
1989	$ 62,710,000	$ 3,758,000
1988	59,681,000	5,806,000
1987	55,256,000	5,258,000
1986	52,160,000	4,789,000
1985	50,718,000	6,555,000

	No. of Com. Shares	Earn. per Share +
1989	574,699,837	$ 6.47
1988	589,740,508	9.80
1987	597,051,744	8.72
1986	605,922,949	7.81
1985	615,418,262	10.67

‡ Includes sales, services and rentals.
+ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Information technology:		
Processors	$ 16,087,000	$ 15,077,000
Workstations	12,261,000	11,484,000
Peripherals	11,021,000	11,280,000
Software	8,424,000	7,927,000
Maintenance serv.	7,070,000	7,347,000
Other	5,841,000	4,470,000
Federal systems	2,006,000	2,065,000
Other business	—	31,000
Total	$ 62,710,000	$ 59,681,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 4.73	—	—
1988	4.40	—	
1987	4.40	—	—
1986	4.40	—	—
1985	4.40	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 38,509,000	$ 67.01
1988	39,509,000	66.99
1987	38,263,000	64.09
1986	34,374,000	56.73
1985	31,990,000	51.98

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 41,586,000	$ 39,959,000
Rentals & services	21,124,000	19,722,000
Total income	$ 62,710,000	$ 59,681,000

Cost of sales	18,001,000	17,499,000
Cost of rentals & services	9,700,000	8,149,000
Expenses	28,116,000	25,287,000
Other income	(728,000)	(996,000)
Interest expense	976,000	709,000
Income before taxes	$ 6,645,000	$ 9,033,000
Income taxes	2,887,000	3,542,000
Cum. effect of acct. change	—	(315,000)
Net Income	$ 3,758,000	$ 5,806,000

• Included in Costs and Expenses, Depreciation: $4,240,000,000 in 1989 and $3,871,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,700,000	$ 4,175,000
Marketable securities	1,261,000	1,948,000
Notes & accts. receiv., net	18,866,000	17,086,000
Other accts. receiv.	1,298,000	1,014,000
•Inventories	9,463,000	9,565,000
Prepaid expenses	1,287,000	1,555,000
Current Assets	$ 35,875,000	$ 35,343,000
#Fixed assets	24,943,000	23,426,000
Investments & other assets	16,916,000	14,268,000
Total Assets	$ 77,734,000	$ 73,037,000

Liabilities
(000's)

Taxes	$ 2,699,000	$ 2,225,000
Loans payable	5,892,000	4,862,000
Accts. payable	3,167,000	2,702,000
Compens. & benefits	2,797,000	2,624,000
Deferred income	1,365,000	844,000
Other accruals	5,780,000	4,130,000
Curr. Liabilities	$ 21,700,000	$ 17,387,000
Long-term debt	10,825,000	8,518,000
Other liabilities	3,420,000	3,000,000
Deferred income taxes	3,280,000	4,623,000
+Common stock	6,341,000	6,442,000
Retained earnings	30,477,000	31,186,000
Trans. adjust.	1,698,000	1,917,000
Treasury stock	(7,000)	(36,000)
Total Liabilities & Shareholders' Equity	$ 77,734,000	$ 73,037,000

• At lower of average cost or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales, Services & Rentals	10.60	15.14
%Net Income to Sales, Services & Rentals	5.99	9.73
%Net Income to Equity	9.76	14.70
Debt to Equity	0.28	0.22
Working Capital (000's)	$ 14,175,000	$ 17,956,000
Current Ratio	1.65	2.03
Shareholders' Equity (000's)	$ 38,509,000	$ 39,509,000

International Power Machines Corporation

200 Madison Avenue, 2nd Floor
New York, New York 10016-3901
(212) 953-0100
FAX: (212) 953-0626

Officers: Warren H. Haber, chairman; William E. Anderson, president-Modulair, Inc.; John J. Mulcair, president; D. Lloyd Crosthwait, Jr., v.p.-research, development & engineering; William L. Zang, v.p. & controller; Paul K. Nothern, v.p. & gen. mgr.-Power Products Group; Lawrence M. Pohly, secretary; Richard D. Newhouse, president-Comp-Aire Systems, Inc..

Directors: Warren H. Haber, chairman; G. William Miller, John J. Mulcair, Mark R. Shenkman, Stephen L. Wald.

Areas of Work: Engaged in two business activities: The Power Products Group designs, manufactures, sells and maintains uninterruptible power systems (UPS). These systems provide regulated continuous power for a wide range of power critical applications. The Cleanroom Systems Group designs, builds, manufactures and provides turnkey installation of cleanrooms and associated modular components.

Divisions and Subsidiaries:

Power Products Group
2975 Miller Park North
Garland, Texas 75042-7799
(214) 272-8000

IPM Pacific, Ltd.
Unit 1112 Austin Tower
22-26A Austin Avenue
Tsimshatsui, Kowloon, Hong Kong
852-3-7216318

IPM GmbH
Schillerstrasse 65
6635 Schwalbach, West Germany
49-6834-53144

Comp-Aire Systems, Inc.
4185 44th Street, SE
Grand Rapids, Michigan 49508-4089
(616) 698-9660

LorTec Power Systems, Inc.
145 Keep Court
Elyria, Ohio 44035-2214
(216) 327-5050

Manufactures single and three phase uninterruptible power systems.

Acquisition:

Modulair, Inc.
Reno, Nevada

A manufacturer of modular laminar flow components and systems.

Transfer Agent(s)

American Stock Transfer Co.
New York, New York

Stock Exchange(s): American

Ticker Symbol: PWR

Number of Employees:

1989	373	1987	263
1988	N.A.	1986	225

N.A. - Not Available.

Plant Footage:

1989	224,152 sq. ft.	1987	121,000
1988	186,000	1986	70,000

Sales & Earnings

	Revenues	Net Income
1989	$ 54,593,000	$ 383,000
1988	49,343,000	1,155,000
1987	22,169,000	(946,000)
1986	23,333,470	(2,872,127)
1985	21,129,637	(5,199,627)

	No. of Com. Shares	Earn. per Share ‡
1989	4,263,667	$ 0.04
1988	4,263,667	0.22
1987	4,263,667	—
1986	3,820,332	—
1985	3,820,332	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Power prods. manufacturing	$ 32,985,000	$ 25,620,000
Construction contracting	21,608,000	23,723,000
Total	$ 54,593,000	$ 49,343,000

Common Stock Equity

	Total Equity †	Equity Per Share
1989	$ 4,014,000	$ 0.94
1988	4,316,000	1.01
1987	2,926,000	0.69
1986	3,540,000	0.93
1985	6,300,000	1.65

† After allowing for preferred stock at liquidation value.

Income Account *

Year ended Dec. 31	1989	1988
Revenues	$ 54,593,000	$ 49,343,000
Cost of revenues	42,061,000	39,072,000
Expenses	11,290,000	8,729,000
Interest expense	747,000	334,000
Other expense (income)	28,000	(30,000)
Income bef. taxes	$ 467,000	$ 1,238,000
Income taxes	84,000	83,000
Net Income	$ 383,000	$ 1,155,000

• Included in Costs and Expenses, Depreciation and Amortization: $645,000 in 1989 and $530,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 141,000	$ 165,000
Accts. receiv., net	10,353,000	7,650,000
Retainage	1,959,000	2,008,000
Costs & earn. on contracts in exc. of billings	189,000	206,000
•Inventories	9,245,000	5,539,000
Prepaid expenses	1,008,000	643,000
Current Assets	$ 22,895,000	$ 16,211,000
#Fixed assets	1,990,000	1,076,000
Goodwill	2,105,000	419,000
Other assets	108,000	36,000
Total Assets	$ 27,098,000	$ 17,742,000

Liabilities

Notes pay. & long-term debt, curr.	$ 6,531,000	$ 1,805,000
Accts. payable & accruals	9,657,000	6,689,000
Retainage	813,000	1,167,000
Amts. billed in exc. of costs on contracts	880,000	773,000
Deferred inc.-maint. agree.	1,731,000	1,392,000
Curr. Liabilities	$ 19,612,000	$ 11,826,000

Long-term debt	1,287,000	100,000
+Preferred stock	400,000	400,000
++Common stock	426,000	426,000
Add. paid-in capital	8,278,000	8,278,000
Retained earnings (deficit)	(2,905,000)	(3,288,000)
Total Liabilities & Shareholders' Equity	$ 27,098,000	$ 17,742,000

- At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. Dividends accrue at 15% of original issue price of $3.75.
++ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	0.86	2.51
%Net Income to Revenues	0.70	2.34
%Net Income to Equity	6.18	19.86
Debt to Equity	1.26	0.33
Working Capital	$ 3,283,000	$ 4,385,000
Current Ratio	1.17	1.37
Shareholders' Equity	$ 6,199,000	$ 5,816,000

International Rectifier Corporation

233 Kansas Street
El Segundo, California 90245
(213) 772-2000
FAX: (213) 772-9028

Officers: Eric Lidow, president and chairman of the board; Robert J. Mueller, corp. exec. v.p.-External Affairs; James W. Buddle, v.p.-finance & treasurer; Gerald P. Nassif, secretary & Corp. Controller; Shirley Banks, assistant treasurer.

Directors: Eric Lidow, Alan Lidow, Jack O. Vance, George Krsek, Rochus E. Vogt.

Areas of Work: Manufactures rectifiers, semiconductor devices, metal oxide semiconductor power transistors (MOSFETs), controls, sub-assemblies and closed loop systems, instrumentation for monitoring and controlling hydraulic systems, metallurgical alloys, thyristors, and diodes.

Divisions:

Semiconductor Division
233 Kansas Street
El Segundo, California 90245
(213) 772-2000

Foreign Subsidiaries:

International Rectifier Corporation Italiana S.p.A
Via Privata Liguria 49
10071 Borgaro, Turin, Italy

International Rectifier Southeast Asia Pte. Ltd.
HEX 10-01 Fortune Center
190 Middle Road
Singapore

International Rectifier GmbH
Savignystrasse 55
6000 Frankfurt/Main 1, West Germany

International Rectifier Company (Great Britain) Limited
Hurst Green, Oxted
Surrey, England

International Rectifier Canada Limited
101 Bentley Street
Markham, Ontario L3R 3L1 Canada
(416) 475-1897

International Rectifier Far East Company, Ltd.
K&H Building, 30-4 Nishiikebukuro 3-Chome
Toshima-Ku
Tokyo, Japan 171

Rectificadores Internacionales, S.A.
Durazno #30, Centro Industrial, Los Olivos, La Mesa de Tijuana
Baja California, Mexico

Associate Company:

Ruttonsha-International Rectifier Private Ltd.
International House, LBS Marg, Vikhroli
Bombay 400 083, India

Transfer Agent(s):

Security Pacific National Bank
333 South Beaudry Avenue
Los Angeles, California 90017

Stock Exchange(s): New York, Pacific

Ticker Symbol: IRF

Number of Employees:

1989	2,400	1986	2,300
1988	2,300	1985	2,200
1987	2,350		

mics corp of america

Sales & Earnings

	Net Sales +	Net Income
1989	$ 195,218,000	$ (12,680,000)
1988	178,606,000	(12,125,000)
1987	151,840,000	(16,920,000)
1986	145,167,000	(87,000)
1985	135,576,000	(754,000)

	No. of Com. Shares †	Earn. per Share #
1989	11,295,257	$ —
1988	11,107,952	—
1987	10,984,842	—
1986	10,900,665	—
1985	10,754,136	—

(Loss)
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 16,648,000	$ 1.47
1988	29,217,000	2.63
1987	39,949,000	3.64
1986	54,892,000	5.04
1985	52,147,000	4.85

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jun. 30	1989	1988
Net sales	$ 195,218,000	$ 178,606,000
Cost of sales	146,493,000	132,663,000
Expenses	45,492,000	48,543,000
Interest expense	16,331,000	15,403,000
Gain of sale of div.	—	(3,768,000)
Gain on sale of prop. & equip.	(1,016,000)	(1,829,000)
Other income	(18,000)	(548,000)
Loss bef. taxes	$ (12,064,000)	$ (11,858,000)
Income taxes	616,000	267,000
Net Loss	$ (12,680,000)	$ (12,125,000)

- Included in Costs and Expenses, Depreciation and Amortization: $12,132,000 in 1989 and $10,096,000 in 1988.

Assets

As of June 30	1989	1988
Cash & short-term investments	$ 2,065,000	$ 2,391,000
Accts. receiv., net	39,895,000	43,322,000
*Inventories	37,084,000	44,583,000
Prepaid expenses	4,185,000	4,439,000
Current Assets	$ 83,229,000	$ 94,735,000
#Fixed assets	121,769,000	127,949,000
Construc. in progress	583,000	974,000
Invest. & notes receiv.	2,763,000	2,718,000
Other assets	3,647,000	3,901,000
Total Assets	$ 211,991,000	$ 230,277,000

Liabilities

Bank loans	$ 12,351,000	$ 7,333,000
Long-term debt, curr.	13,088,000	11,041,000
Accts. payable	22,684,000	23,964,000
Accrued payroll	6,826,000	6,464,000
Other accruals	5,051,000	4,146,000
Curr. Liabilities	$ 60,000,000	$ 52,948,000
Long-term debt	69,349,000	81,830,000
Convert. subord. deben.	57,500,000	57,500,000
Deferred income	3,158,000	3,920,000
Deferred inc. taxes	1,288,000	1,057,000
Other liabilities	4,048,000	3,805,000
+Common stock	11,295,000	11,108,000
Add. paid-in capital	29,674,000	28,861,000
Retained earnings (deficit)	(20,996,000)	(8,316,000)
For. curr. translation	(3,325,000)	(2,436,000)
Total Liabilities & Shareholders' Equity	$ 211,991,000	$ 230,277,000

- At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	5.26	4.01
Debt to Equity	5.69	3.43
Working Capital	$ 23,229,000	$ 41,787,000
Current Ratio	1.39	1.79
Shareholders' Equity	$ 16,648,000	$ 29,217,000

Interpoint Corporation

(formerly Integrated Circuits Incorporated)

10301 Willows Road
P.O. Box 97005
Redmond, Washington 98073-9705
(206) 882-3100
FAX: (206) 882-1990

Officers: Phillip C. Linwick, chairman & founder; Peter H. van Oppen, president & chief executive officer; Russell F. McNeill, secretary; Milton A. Woods, sr. v.p. & general manager; Melvin O. Eide, v.p.-research & development; Barry W. Brugman, v.p.-sales & marketing; J. T. Montgomery, sr. v.p. operations; Leslie S. Rock, v.p.-finance; Daniel J. Renn, v.p.-engineering.

Directors: Walter P. Kistler, Ross W. Anderson, Phillip C. Linwick, Russell F. McNeill, Peter H. van Oppen, Milton A. Woods, Christopher T. Bayley, John W. Stanton.

Areas of Work: Designs, manufactures and markets both custom and proprietary (standard) hybrid microcircuit products for the electronics industry. These microcircuits are used commercially in memory systems, industrial controls, testing equipment, computers and computer peripherals and medical electronics equipment. Aerospace applications range from aircraft instrumentation power supplies to research uses in satellites.

Acquisitions:

Micra Corp.

Designs, manufactures and sells custom hybrid microcircuits used primarily in military aerospace and avionics.

Micra Taiwan Corp.

Transfer Agent(s):

First Interstate Bank of Washington, N.A.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTP (NASDAQ)

Number of Employees:

1989	433
1988	281
1987	286
1986	290
1985	295

Plant Footage:

1989	40,000 sq. ft.
1988	40,000
1987	40,000
1986	40,000
1985	40,000

Sales & Earnings x

	Net Sales	Net Income †
1989	$ 28,022,000	$ 780,000
1988	24,807,000	493,000
1987	24,831,000	610,000
1986	24,744,000	1,124,000
1985	20,331,000	607,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	2,431,000	$ 0.32
1988	2,315,000	0.21
1987	2,314,000	0.26
1986	2,314,000	0.49
1985	2,314,000	0.26

x Restated to include operations of Micra Corporation, acquired on a pooling of interests basis.

† Including extraordinary loss of $53,864 ($0.02 per share) in 1988.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	10%	—

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 8,617,000	$ 3.54
1988	7,863,000	3.40
1987	7,351,000	3.18
1986	6,636,000	2.87
1985	5,439,000	2.35

x Restated.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Oct. 31	1989	1988‡
Net sales	$ 28,021,546	$ 24,807,339
Cost of sales	18,085,860	16,469,335
Expenses	8,126,278	5,933,951
Interest expense	707,730	701,955
Interest income	(39,853)	(56,094)
For. curr. trans. losses	47,887	11,802
Income bef. taxes	$ 1,093,644	$ 701,336
Income taxes	483,711	154,777
Net Income	$ 609,933	$ 546,559
Extraord. loss	—	(53,864)
Cum. effect of acct. change	169,700	—
Net Income & extraord. gain	$ 779,633	$ 492,695

‡ Restated.

* Included in Cost and Expenses, Depreciation and Amortization: $1,297,859 in 1989 and $1,207,224 in 1988.

Assets

As of Oct. 31	1989	1988‡
Cash	$ 212,111	$ 923,023
Accts. receiv., net	5,551,857	4,652,583
* Inventories	4,937,989	4,209,346
Deferred inc. taxes	89,000	124,227
Prepaid expenses	333,565	330,800
Current Assets	$ 11,124,522	$ 10,239,979
# Fixed assets	8,937,031	8,949,442
Unamort. bond costs	119,725	128,208
Total Assets	$ 20,181,278	$ 19,317,629

Liabilities

Long-term debt., curr.	$ 801,297	$ 981,774
Loans payable	439,963	1,628,124
Accts. payable	1,497,761	897,209
Inc. taxes pay.	556,634	18,776
Accrued payroll	1,196,438	1,068,039
Accrued vacations	396,978	284,417
Accrued taxes	57,501	61,112
Accrued interest	38,112	9,933
Other accruals	108,425	171,320
Curr. Liabilities	$ 1,797,454	$ 1,594,821
Long-term debt	5,430,162	5,095,724
Accrued retire. benefits	293,151	269,486
Deferred inc. taxes	748,000	968,627
+ Common stock	3,258,894	3,256,034
Retained earnings	5,066,813	4,415,110
Cum. trans. adjust.	291,149	191,944
Total Liabilities & Shareholders' Equity	$ 20,181,278	$ 19,317,629

‡ Restated.

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.90	2.83
%Net Income to Sales	2.18	2.20
%Net Income to Equity	7.08	6.95
Sales to Inventories	5.67	5.89
Debt to Equity	0.77	0.98
Working Capital	$ 6,031,413	$ 5,119,275
Current Ratio	2.18	2.00
Shareholders' Equity	$ 8,616,856	$ 7,863,088

Ionics, Incorporated

65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500
FAX: (617) 926-4304

Officers: Averell E. Daniell, chairman of the board; Arthur L. Goldstein, president & chief exec. officer; William E. Katz, exec. v.p.; Carl J. McCurdy, exec. v.p.; Theodore G. Papastavros, vice president-strategic planning; Walter J. Polens, vice president-household water conditioning; William B. Iaconelli, vice president-separations technology; Kachig Kachadurian, vice president-water systems; Edgardo J. Parsi, vice president-research & development; Joseph M. Loftis, vice president-fabricated products; Robert R. Comtois, corporate controller; Stephen Korn, v.p., gen. counsel and clerk.

Directors: Thomas A. Kirkham, William E. Katz, Arnaud de Vitry d'Avaucourt, Averell E. Daniell*, Arthur L. Goldstein*, Robert B. Luick, Lawrence E. Fouraker, Carl J. McCurdy, Samuel A. Goldblith*, John J. Shields, K. Kachadurian.

* Member of the Executive Committee

Areas of Work: The principal business of the company involves the development, manufacture and sale of products, systems and services for the desalination, processing, measurement and treatment of water and other liquids, principally utilizing separations technology and related methods.

Divisions and Subsidiaries:

Global Water Services, S.A.
Panama City, Panama

Watlington-Waterworks Limited (23% owned)
Devonshire, Bermuda

Ionics Iberica, S.A.
Grand Canary, Spain

Household Water Division
65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500

Manufacture and sale of water desalination equipment, pollution monitoring instruments, food and chemical processing equipment; research and development activities in electrochemistry and pollution control.

Bridgeville Division
P.O. Box 99
Bridgeville, Pennsylvania 15017
(412) 343-1040

Manufacture and sale of water softening and conditioning equipment, custom-fabricated components for the nuclear, food and chemical industries, and custom-designed air recovery and heat transfer systems; financing activities related to sales of domestic water softening equipment.

General Ionics, Inc.
3380 Cavalier Trail
Cuyahoga Falls, Ohio 44224

Home water softener dealership.

Ionics Ultrapure Water Corporation
Campbell, California

Services ultrapure water systems for the electronics, pharmaceutical and power industries in northern California and the Southwest.

Yuasa-Ionics Co. Ltd. (50% owned)
No. 12-11, 2-Chome
Higashi-Shinbashi
Minato-ku, Tokyo 105 Japan

Supplies pollution abatement products in Japan and the Far East.

Ionics Italba, S.p.A.
Via Mauro Macchi 26
20124 Milan, Italy

Design and construction of water and waste treatment plants in Europe.

Ionics, Inc.
Hong Kong

Ionics (UK) Ltd.
London, England

Saif-Ionics (50% owned)
Damman, Saudi Arabia

Jalal-Ionics, Ltd. (40% owned)
Manama, Bahrain

Osomar, S.A.
Grand Canary, Spain

Ionics (Bermuda) Ltd.
Hamilton, Bermuda

Elite Chemicals Pty. Ltd. (63.8% owned)
Brisbane, Qld., Australia
Production of specialty chemicals.

Ionics Pure Solutions
Phoenix, Arizona
Albuquerque, New Mexico
Sale and service of ultrapure water systems for the electronics and pharmaceutical industries.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: ION

Number of Employees:

1989 900
1988 800

Sales & Earnings

	Revenues	Net Income
1989	$ 108,915,000	$ 3,590,000
1988	88,241,000	2,482,000
1987	74,679,000	1,869,000
1986	64,613,000	952,000
1985	68,750,000	3,001,000

	No. of Com. Shares †	Earn. per Share ‡
1989	4,144,626	$ 0.85
1988	4,116,388	0.64
1987	3,582,394	0.50
1986	3,696,526	0.25
1985	3,687,134	0.95

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 68,102,000	$ 16.43
1988	63,723,000	15.48
1987	51,714,000	14.44
1986	49,814,000	13.48
1985	47,525,000	12.89

† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net revenues	$ 108,915,000	$ 88,241,000
Cost of sales	70,105,000	56,172,000
Adm., sell., & other exp.	28,178,000	24,460,000
Res., develop., & eng. exp.	2,352,000	2,134,000
Interest expense	3,211,000	1,821,000
Equity income	(241,000)	(248,000)
Income before taxes	$ 5,310,000	$ 3,902,000
Income taxes	1,434,000	1,054,000
Minority interest	286,000	366,000
Net Income	$ 3,590,000	$ 2,482,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,406,000 in 1989 and $5,640,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,474,000	$ 3,732,000
Short-term invest.	6,608,000	8,202,000
Notes receiv., curr.	3,525,000	4,014,000
Accts. receiv., net	38,070,000	27,992,000
Receiv. from affil. cos.	630,000	1,433,000
*Inventories	14,064,000	14,980,000
Other curr. assets	2,647,000	1,379,000
Current Assets	$ 67,018,000	$ 61,732,000
Investments in affil cos.	1,846,000	1,790,000
Notes receiv.	4,933,000	6,259,000
#Fixed assets	58,733,000	50,769,000
Other assets	2,344,000	2,301,000
Total Assets	$ 134,874,000	$ 122,851,000

Liabilities

Notes pay. & long-term debt, curr.	$ 22,015,000	$ 14,958,000
Accts. payable	9,983,000	8,745,000
Customer deposits	5,212,000	2,421,000
Accrued commissions	925,000	910,000
Other accruals	4,992,000	4,240,000
Income taxes	1,706,000	1,169,000
Curr. Liabilities	$ 44,833,000	$ 32,443,000
Long-term debt & notes pay.	14,419,000	17,672,000
Deferred inc. taxes	5,591,000	7,178,000
Other liabilities	1,929,000	1,835,000
+Common stock	4,145,000	4,116,000
Add. paid-in capital	26,149,000	25,797,000
Retained earnings	35,942,000	32,352,000
Cumulative trans. adj.	1,866,000	1,458,000
Total Liabilities & Shareholders' Equity	$ 134,874,000	$ 122,851,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Revenues	4.88	4.42
%Net Income to Revenues	3.30	2.81
%Net Income to Equity	5.27	3.89
Debt to Equity	0.53	0.51
Working Capital	$ 22,185,000	$ 29,289,000
Current Ratio	1.49	1.90
Shareholders' Equity	$ 68,102,000	$ 63,723,000

IRT Corporation

3030 Callan Road
San Diego, California 92121
(619) 450-4343
FAX: (619) 450-9994

Mailing Address:
P.O. Box 85317
San Diego, California 92138

Officers: Clifford V. Brokaw, III, chairman & chief exec. officer; John W. Battin, president & chief operating officer; Terry A. Deane, sr. v.p.-manufacturing; Vicki L. Foote, sr. v.p.-finance & administration & chief financial officer; Daniel M. Whalen, sr. v.p.-major programs; James T. Dooley, v.p.-finance, treasurer & chief accounting officer; Jeffrey S. Cohen, secretary.

Directors: Clifford W. Brokaw, III, Stanley W. Hubbel, Robert P. Scherer, Jr., John P. Thompson, John W. Battin, William P. Moyles, Jacques Vallee.

Areas of Work: Radiation effects research, monitoring and testing services; development and manufacture of equipment for measurement of nuclear materials and non-destructive inspection.

Divisions:

National Security
Electronic Systems
Automated Systems

Subsidiaries:

Ridge, Inc.
Automated inspection products.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: IX

Number of Employees:

1990 159
1989 156
1988 .... N.A.
1987 .... N.A.
1986 431

Plant Footage:

1990 .... 82,130 sq. ft.
1989 87,000
1988 .... N.A.
1987 .... N.A.
1986 217,600

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income
1990	$ 19,263,000	$ 1,694,000
1989	13,742,000	(3,218,000)
1988	16,179,000	(12,319,000)
1987	20,834,000	(576,000)
1986	16,912,000	(4,387,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,371,292	$ 0.31
1989	4,926,785	—
1988	4,805,264	—
1987	4,468,430	—
1986	4,300,277	—

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Inspection systems	$ 14,384,000	$ 10,189,000
Radiation services	4,879,000	3,553,000
Total	$ 19,263,000	$ 13,742,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ (3,771,000)	$ —
1989	(5,606,000)	—
1988	(2,595,000)	—
1987	6,700,000	1.50
1986	7,576,000	1.76

(Deficiency)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account*

Year ended March 31	1990	1989
Revenues:		
Products	$ 14,384,000	$ 10,189,000
Services	4,879,000	3,553,000
Total revenues	$ 19,263,000	$ 13,742,000
Cost of revenues	9,906,000	12,892,000
Expenses	7,101,000	4,975,000
Interest expense	1,188,000	1,707,000
Other income	(960,000)	(2,934,000)
Inc. (loss) bef. taxes	$ 2,208,000	$ (2,898,000)
Income taxes	35,000	—
Inc. (loss)-cont. oper.	$ 1,993,000	$ (2,898,000)
Loss-discont. oper.	(299,000)	(320,000)
Net Income (Loss)	$ 1,694,000	$ (3,218,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,942,000 in 1990 and $1,866,000 in 1989.

Assets

As of March 31	1990	1989
Cash	$ 176,000	$ 213,000
Receiv., net	3,423,000	1,266,000
*Inventories	2,745,000	2,450,000
Prepaid expenses	108,000	309,000
Net assets-discont. oper.	—	1,270,000
Current Assets	$ 6,452,000	$ 5,508,000
#Fixed assets	3,681,000	3,343,000
Other assets	3,175,000	3,210,000
Total Assets	$ 13,308,000	$ 12,061,000

Liabilities

	1990	1989
Notes payable	$ 5,000,000	$ 4,600,000
Sr. subord. promiss. notes	—	5885,000
Long-term debt, curr.	154,000	348,000
Accts. payable & accruals	3,966,000	4,345,000
Def. gain on bldg., curr.	355,000	381,000
Curr. Liabilities	$ 9,475,000	$ 15,559,000
Sr. subord. promiss. note	5,000,000	—
Long-term debt	80,000	171,000
Def. gain on debt restruc.	1,025,000	—
Def. gain on bldg.	1,499,000	1,937,000
+Common stock	529,000	509,000
Add. paid-in capital	11,675,000	11,439,000
Note receiv.-sale of stock	(115,000)	—
Retained earnings (deficit)	(15,860,000)	(17,554,000)
Total Liabilities & Shareholders' Equity	$ 13,308,000	$ 12,061,000

* At lower cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Isomet Corporation

5263 Port Royal Road
Springfield, Virginia 22151
(703) 321-8301
FAX: (703) 321-8546

Officers: Henry Zenzie, president; Leon Bademian, exec. v.p.-operations; Jerry W. Rayburn, exec. v.p.-finance & treasurer; Robert G. Bonner, v.p.-components manufacturing; Frank V. Hamby, v.p.-systems manufacturing; Delmar R. Radar, v.p.-product engineering; Lee R. Marks, secretary; Vanda Gallagher, controller.

Directors: Henry Zenzie, Thomas P. Meloy, Leon Bademian, Jerry W. Rayburn, Lee R. Marks.

Areas of Work: Engaged in the design and production of laser accessory components and opto-electronic instruments employing synthetic crystals.

Subsidiaries:

Isomet Japan, K.K.
3-6 Minami-Suna
3-Chome
Koto-ku, Tokvo, Japan
Manufactures accousto-optic devices for the Japanese and other markets.

Isomet Laser Systems, Ltd.
18 John Baker Close
Llantarnam Industrial Park
Cwmbran, Gwent NP44 3AX, United Kingdom
Conducts laser systems research and development and assembly.

Printing Developments Isomet, Ltd.
18 John Baker Close
Llantarnum Industrial Park
Cwmbran, Gwent NP44 3AX, United Kingdom
Markets and services graphic arts equipment in Europe.

Transfer Agent(s):

Crestar Bank
Box 26665
Richmond, Virginia 23261

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IOMT (NASDAQ)

Number of Employees:

1989	81	1986	78
1988	87	1985	74
1987	84		

Plant Footage:

1989	29,284 sq. ft.	1986	28,524
1988	29,674	1985	27,724
1987	28,524		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 7,802,203	$ 52,646
1988	9,576,979	1,112,175
1987	8,584,000	729,485
1986	6,293,000	10,723
1985	4,743,000	(450,846)

	No. of Com. Shares #	Earn. per Share ‡ #
1989	2,023,693	$ 0.03
1988	1,997,044	0.56
1987	1,895,715	0.38
1986	1,895,715	0.02
1985	1,811,894	—

(Loss)
‡ Including extraordinary gains of $36,966 ($0.02 per share) in 1986 and $52,670 in 1985.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 4,803,047	$ 2.37
1988	4,749,438	2.38
1987	3,623,627	1.91
1986	2,912,100	1.54
1985	2,932,797	1.62

‡ Based on the weighted average number of shares outstanding.

Income Account*

Year ended Dec. 31	1989	1988
Revenue:		
Net sales	$ 7,802,203	$ 9,576,979
Interest income	41,953	38,965
Other income (loss)	(2,158)	12,687
Total income	$ 7,841,998	$ 9,628,631
Cost of sales	4,187,706	5,173,475
Expenses:		
Selling	769,930	538,562
Gen. & adm.	2,012,229	2,048,046
Res. & develop.	612,453	82,986
Interest expense	265,824	196,794
Inc. (loss) bef. taxes	$ (6,144)	$ 1,588,768
Income taxes (credit)	(86,268)	448,760
Minority interest	27,478	27,833
Net Income	$ 52,646	$ 1,112,175

* Included in Costs and Expenses, Depreciation and Amortization: $211,114 in 1989 and $219,787 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 331,596	$ 334,199
Restricted cash	303,427	281,115
Certificates of deposit	—	201,691
Accts. receiv., net	1,608,174	2,070,002
Due from officers	—	14,966
Other receiv.	21,099	12,749
Cost & est. earnings in exc. of billings	—	74,294
Precious metals	252,743	254,458
*Inventories	4,939,320	3,869,537
Prepaid expenses	119,833	164,371
Current Assets	$ 7,576,192	$ 7,277,382
#Fixed assets	932,994	774,254
Other assets	77,049	102,520
Total Assets	$ 8,586,235	$ 8,154,156

Liabilities

	1989	1988
Notes payable	$ 1,970,274	$ 1,390,664
Cap. lease oblig., curr.	27,995	—
Accts. payable	547,271	501,842
Accruals	534,773	538,294
Income taxes payable	53,547	220,169
Customer advances	56,500	75,000
Deferred inc. taxes	3,534	39,989
Curr. Liabilities	$ 3,193,894	$ 2,765,958

Long-term debt		551,442		571,792
Cap. lease oblig.		227,168		—
Deferred inc. taxes		—		34,031
Minority interest		37,852		32,937
+Common stock		1,897,090		1,896,340
Add. paid-in capital		4,188,768		4,180,080
Unamort. def. compensation from stock options		(292,500)		(325,000)
Deficit		(821,774)		(874,420)
For. curr. trans. adj.		(168,537)		(127,562)
Total Liabilities & Shareholders' Equity	$	8,586,235	$	8,154,156

* Inventories of parts are stated at cost (FIFO), which does not exceed market. Work-in-process and finished goods at lower of standard costs or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		—		16.59
%Net Income to Sales		0.67		11.61
%Net Income to Equity		1.10		23.42
Sales to Inventories		1.58		2.47
Debt to Equity		0.58		0.41
Working Capital	$	4,382,298	$	4,511,424
Current Ratio		2.37		2.63
Shareholders' Equity	$	4,803,047	$	4,749,438

Itel Corporation

Two North Riverside Plaza
Suite 1950
Chicago, Illinois 60606
(312) 902-1515
FAX: (312) 902-1573

Officers: Samuel Zell, chairman; Rod F. Dammeyer, president; James E. Knox, sr. v.p.-general counsel & secretary; Gary M. Hill, v.p.-finance; William G. Wolfe, v.p.-taxes; Scott H. Williamson, v.p.-acquisitions and development; Timothy J. Crossdaile, v.p.; Jack P. Edwards, pres.-Itel Transportation Services; John A. Pigott, pres. & CEO-Anixter Bros., Inc.; Bruce Van Wagner, chairman-Anixter Bros., Inc. & Anixter International; DeWitt D. Barlow, III, pres. & CEO-Great Lakes Dredge & Dock; Desmond P. Hayes, pres. & CEO-Itel Rail Corporation; Philip C. Kantz, pres. & CEO-Itel Container Corporation; Richard J. Price, pre. & CEO-Itel Distribution Systems; Eben Moulton, pres. & CEO-Signal Capital Merchant Banking.

Directors: Samuel Zell, chairman; Bernard F. Brennan, William A. Buzick, Jr., Rod F. Dammeyer, F. Philip Handy, Harold Haynes, Jack P. Edwards, Jerome Jacobson, Melvyn N. Klein, Robert H. Lurie, John R. Petty, John A. Pigott, James D. Woods.

Areas Of Work: Through Anixter Bros., Inc., a wholly owned subsidiary, the Company distributes, and to a lesser extent, manufactures products which use wire and cable as a principal component or which are used in the transmission of telephone communications or electricity. Specific products include telephone transmission components, modular central office structures to house electronic switching systems, electrical wiring harnesses and cable assemblies for use on appliances and vehicles, lights and switches primarily for military vehicles, battery booster cables and other power supply cords, microwave antennas for telephone and radio communications, and distribution equipment such as switchboards and power panels.

Divisions and Subsidiaries:

Anixter Bros., Inc.
4711 Golf Road
One Concourse Plaza
Skokie, Illinois 60076
(312) 677-2600

Itel Container Corporation
San Francisco, California
(415) 984-4000
Leases containers.

Great Lakes Dredge & Dock
Oak Brook, Illinois
(312) 574-3000
Heavy marine construction, primarily dredging.

Itel Rail Corporation
San Francisco, California
(415) 984-4000
Rail operations, including railcar leasing and ownership of four shortline railroads.

Itel Transportation Services
San Francisco, California
(415) 984-4000

Itel Distribution Systems
San Francisco, California
(415) 984-4000

Acquisition:

Quadrum, S.A. de C.V.
Mexico
Company is engaged in rail car leasing, financial services and telecommunications equipment

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
50 California Street, 10th Floor
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ITEL (NASDAQ)

Number of Employees:

1989 8,200   1988 6,800

Sales & Earnings

	Revenues	Net Income †
1989	$ 2,121,100,000	$ 29,900,000
1988	1,643,600,000	24,800,000
1987	1,274,000,000	8,300,000
1986	288,700,000	55,700,000
1985	198,400,000	(6,500,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	48,800,000	$ 0.47
1988	48,790,000	0.44
1987	26,530,000	—
1986	18,290,000	2.77
1985	14,950,000	—

(Loss)
† Including extraordinary gain of $57,800,000 ($3.21 per share) in 1986 and extraordinary losses of $7,300,000 in 1987 and $2,100,000 in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Container	$ 257,100,000	$ 224,500,000
Rail	427,600,000	229,200,000
Distr. of wiring syst. prods	1,234,800,000	1,010,800,000
Dredging	201,600,000	179,100,000
Total	$ 2,121,100,000	$ 1,643,600,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 749,200,000 +	$ 15.35
1988	702,300,000 +	14.39
1987	275,700,000 +	10.39
1986	149,300,000 +	8.16
1985	85,700,000	5.73

† After allowing for preferred stock at stated value.

Income Account*
(000's)

Year ended Dec. 31		1989		1988
Revenues	$	2,121,100	$	1,643,600
Cost of sales & expenses		1,759,000		1,379,100
Interest expense		276,200		184,700
Amort. of intangibles		10,300		8,400
Non-recurring items		—		8,000
Minority interest		4,500		11,100
Inc. bef. taxes	$	71,100	$	52,300
Income taxes		41,200		27,500
Net Income	$	29,900	$	24,800

* Included in Costs and Expenses, Depreciation and Amortization: $139,400,000 in 1939 and $114,900,000 in 1988.

Assets
(000's)

As of Dec. 31		1989		1988
Cash	$	27,700	$	50,400
Accts. receiv., net		333,200		305,200
*Inventories		281,300		255,300
Other curr. assets		38,800		37,100
Current Assets	$	681,000	$	648,000
#Fixed assets		1,943,100		1,819,100
Investment in eq. secur.		658,900		562,100
Investment in Quadrum		46,600		—
Assets held for sale		268,600		479,700
Intangibles		338,400		345,500
Other receiv.		122,200		92,700
Other assets		67,700		53,800
Total Assets	$	4,126,500	$	4,000,900

Liabilities
(000's)

Long-term debt, curr.	$	82,000	$	104,100
Accts. payable.		169,300		166,400
Accruals		268,700		243,200
Curr. Liabilities	$	520,000	$	513,700
Long-term debt		2,717,400		2,571,000
Other liabilities		43,100		119,600
Minority interest		14,300		12,200
+Preferred stock-Class B, Series C		82,500		82,100
++Common stock		49,800		49,500
Add. paid-in capital		710,700		683,400
Retained earnings		64,300		40,500
Cum. trans. adjust.		3,100		2,400
Val. allow for eq. secur.		(44,900)		(46,200)
Treasury stock		(16,000)		(9,500)
Warrant note receiv.		(17,800)		(17,800)
Total Liabilities & Shareholders' Equity	$	4,126,500	$	4,000,900

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value; $3.375 cumulative convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues		3.35		3.18
%Net Income to Revenue		1.41		1.51
%Net Income to Equity		3.60		3.16
Debt to Equity		3.37		3.41
Working Capital	$	161,000,000	$	134,300,000
Current Ratio		1.31		1.26
Shareholders' Equity	$	831,700,000	$	784,400,000

ITT Corporation

320 Park Avenue
New York, New York 10022
(212) 752-6000
FAX: (212) 940-1778

ITT Corporation

Officers: Rand V. Araskog, chairman & chief executive officer; DeRoy C. Thomas, president & chief operating officer; D.R. Comey, exec. v.p.; M. Cabell Woodward, Jr., vice chairman & chief financial officer; Howard J. Aibel, exec. vice president and general counsel; Daniel F. Lundy, sr. v.p.-taxes; George P. Scurria, Jr., sr. v.p. & treasurer; Raymond H. Alleman, sr. v.p. & controller; Juan C. Cappello, sr. v.p. & dir.-corporate relations; Daniel P. Weadock, exec. v.p. & president-ITT COINS; Robert E. Laws, sr. v.p. & president-ITT Financial Corporation; John J. Navin, v.p. & secretary; John J. Foley, sr. v.p. & dir.-operations staff; Ralph W. Pausig, sr. v.p. & dir.-administration; Raymond J. Gill, sr. v.p. & president-ITT Fluid Technology Corporation; Hubertus Von Gruenberg, sr. v.p. & pres.-ITT Automotive, Inc.; Heinz F. Roessle, sr. v.p. & pres.-ITT Electronic Components, Inc.; Robert S. Slifka, sr. v.p. & exec. v.p.-ITT Financial Corporation; D. Travis Engen, sr. v.p. & pres.-ITT Defense Technology Corporation; Samuel L. Simmons, sr. v.p. & dir.-corp. development.

Directors: Bette B. Anderson*, Margita E. White*, M. Cabell Woodward, Jr., Edward C. Meyer*, Rand V. Araskog*, Thomas W. Keesee, Jr.*, Michel David-Weill*, Andrew T. Dwyer, DeRoy C. Thomas, Paul G. Kirk, Jr., C. Robert Powell*, Robert A. Burnett*, Benjamin F. Payton*.

* Member of the Executive Committee

Areas of Work: ITT Corporation is a diversified multinational enterprise engaged principally in nine product and service businesses: Automotive, Electronic Components, Fluid Technology, Defense, Pulp and Timber, Insurance, Finance, Communication and Information Services, Hotels, and has an interest in Alcatel N.V., a telecommunications equipment manufacturing company.

Divisions and Subsidiaries:

ITT Corporation ("ITT")-Delaware
Federal Electric Corporation - Delaware
ITT Power Systems Corporation
ITT Higbie
ITT Hancock
ITT Automotive, Inc.
ITT Cannon
ITT Standard
ITT Bell & Cossett
ITT Barton Instruments
ITT Defense Inc.
ITT Gilfillan
ITT Defense Communications
ITT Avionics
Carbon Industries, Inc.-West Virginia
ITT Community Development Corporation-Delaware
ITT Lester Industries, Inc.-Ohio
ITT World Directoris, Inc.-Delaware
ITT Sheraton Corporation-Delaware

ITT Holdings Inc. ("ITT Holdings")-Delaware
ITT Canada Limited ("Canada")-Canada
ITT Industries of Canada Limited-Canada
ITT Industries, Inc. ("ITTI")-Delaware
ITT Gesellschaft fur Beteiligugen m.b.H ("ITTG")-Germany
Deutche ITT Handelsgesellschaft m.b.H.-Germany
Transatlantische Rueckversicherungs AG ("Granstl")-Germany
SWF Spezialfabrik fur Autozubehor Gustav Rau G.m.b.H.-Germany
SWF Auto-Electric Gmbh-Germany
Alfred Teves G.m.b.H. ("Teves")-Germany
ITT Regelungstechnik Verwaltungs G.m.b.H. (ITTR)-Germany
Reiss International-Germany
ITT Svenska AB ("Svenska")-Sweden
Flygt Aktiebolag-Sweden
ITT Rayonier Incorporated ("Rayonier")-Delaware

International Standard Electric Corporation ("ISEC")-Delaware
ITT Netherlands, Inc. ("ITTN")-Delaware
ITT (United Kingdom) Limited-New York
Koni B.V.-Netherlands

ITT Communications and Information Services, Inc., ("COINS")-Delaware
Alcatel N.V. (37% interest)

SIGNIFICANT INSURANCE AND FINANCE SUBSIDIARIES-

Hartford Fire Insurance Company ("Hartford")-Connecticut
Excess Insurance Group Limited-England
Hartford Accident & Indemnity Company-Connecticut
Hartford Life and Accident Insurance Co. ("HLAI")-Connecticut
ITT Life Insurance Corporation ("Life")-Wisconsin
Hartford Life Insurance Company ("HLIC")-Connecticut
Hartford Variable Annuity Life Insurance Company-Connecticut
ITT Credit Corporation-Delaware
ITT Financial Corporation ("ITTFC")-Delaware
Aetna Finance Company-Delaware
ITT Consumer Financial Corporation-Delaware
ITT Business Services Corporation (Mo.) ("ITTBSC")-Missouri
ITT Industrial Credit Company-Nevada
ITT Commercial Finance Corporation-Delaware
Lyndon Insurance Company-Wisconsin
ITT Lyndon Life Insurance Company-Missouri
ITT Lyndon Property Insurance Company-Missouri
ITT Federal Bank, F.S.B.
Kellogg Credit Corporation-Delaware

Transfer Agent(s):

Office of the Corporation
(common & preferred stock)
320 Park Avenue
New York, New York 10022

Dresdner Bank AG (common only)
Frankfurt-am-Main, Federal Republic of Germany

Stock Exchange(s): New York, Pacific, Antwerp, Basel, Berne, Brussels, Geneva, Frankfurt, Lausanne, London, Paris, Tokyo, Vienna, Zurich

Ticker Symbol: ITT

Number of Employees:

1989	119,000	1986	123,000
1988	117,000	1985	232,000
1987	120,000		

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1989	$ 20,054,000	$ 922,000
1988	19,355,000	817,000
1987	18,195,000	965,000
1986	16,271,000	477,000
1985	13,781,000	266,000

	No. of Com. Shares	Earn. per Share #†
1989	123,000,000	$ 6.52
1988	134,000,000	5.70
1987	136,000,000	6.41
1986	141,000,000	3.12
1985	141,000,000	1 70

+ Includes other revenues and revenues from Insurance and Finance Subsidiaries; of continuing operations only.
# Including extraordinary loss of $45,733,000 ($0.30 per share) in 1986.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Producsts:		
Automotive	$ 2,852	$ 2,691
Electronic components	1,134	1,124
Fluid technology	960	839
Defense technology	1,580	1,387
Pulp & timber	1,151	1,084
Diversified services:		
Insurance oper.	8,689	8,553
Financial serv.	1,806	1,479
Communications & information serv.	754	704
Hotels	782	773
Total segments	$ 19,708	$ 18,634
Dispositions	346	721
Total sales & revenues	$ 20,054	$ 19,355

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.51	—	—
1988	1.3075	—	
1987	1.0625	—	—
1986	1.00	—	—
1985	1.00	—	—

Common Stock Equity

	Total Equity + (000's)	Equity Per Share
1989	$ 6,803,000	$ 55.42
1988	7,527,000	56.33
1987	7,078,000	52.11
1986	6,348,000	44.91
1985	5,739,000	40.[illegible]4

+ After allowing for preferred stock at aggregate liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Sales & revenues	$ 20,054,000	$ 19,355,000
Cost of sales & services	8,635,000	8,523,000
Expenses	10,117,000	9,530,000
Equity in earn. of Alcatel N.V.	(167,000)	(125,000)
Interest expense	216,000	232,000
Other expense	16,000	66,000
Income before taxes	$ 1,237,000	$ 1,129,000
Income taxes	252,000	215,000
Minority equity	63,000	56,000
Inc.-cont. oper.	$ 922,000	$ 858,000
Loss-discont. oper.	—	(41,000)
Net Income	$ 922,000	$ 817,000

* Included in Costs and Expenses, Depreciation and Amortization: $485,000,000 in 1989 and $500,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 649,000	$ 880,000
Finance receiv., net	8,732,000	7,600,000
Other receiv., net	4,222,000	4,213,000
*Inventories	1,327,000	1,308,000
Invest. in Alcatel N.V.	1,810,000	1,683,000
Insurance investments	19,032,000	17,312,000
Finance investments	1,709,000	1,262,000
Deferred policy acq. costs	1,062,000	1,055,000
#Fixed assets	3,558,000	3,411,000
Other assets	3,402,000	3,217,000
Total Assets	$ 45,503,000	$ 41,941,000

Liabilities
(000's)

Policy liab. & accruals	$ 18,531,000	$ 16,859,000
Finance debt	8,475,000	7,127,000
Other debt	3,839,000	4,311,000
ESOP debt	699,000	—
Accts. pay. & accruals	3,371,000	3,237,000
Other liabilities	2,531,000	2,372,000
+Preferred stock	977,000	278,000
++Common stock	123,000	134,000
Add. paid-in capital	204,000	851,000
Deferred comp. - ESOP	(697,000)	—
Retained earnings	7,629,000	6,948,000
Unrealized gain on eq. secur.	50,000	20,000
Cum. trans. adjust.	(229,000)	(196,000)
Total Liabilities & Shareholders' Equity	$ 45,503,000	$ 41,941,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales & Revenues	6.17	—
%Net Income to Sales & Revenues	4.60	—
%Net Income to Equity	11.44	10.17
Debt to Equity	1.62	1.42
Shareholders' Equity	$ 8,057,000,000	$ 8,035,000,000

Jetronic Industries, Inc.

4200 Mitchell Street
Philadelphia, Pennsylvania 19128
(215) 482-7660
FAX: (215) 482-3323

Officers: Daniel R. Kursman, chairman of the board, president and treasurer; Jerome I. Kursman, vice president and secretary; Garth E. Bower, group v.p.; Leonard W. Pietrzak, vice president-finance; Peter J. Kursman, president-The Levin Companies; William L. Weiss, general counsel.

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Peter Kursman, Herbert Myers, William L. Weiss, Garth E. Bower, David Silverman.

Areas of Work: Engaged in the design, manufacture, and sale of electronic communication and navigation equipment and the manufacture and sale of power supplies, circuit boards, and instrumentation systems. Also involved in the retail sale of furniture and major appliances.

Divisions and Subsidiaries:

Transchem Division
3667 Birch Street
Newport Beach, California 92660
Produces multilayer laminated rigid and flexible etched circuit boards, primarily for the computer and aerospace industries, precision power systems, tactical intercommunication systems, instrumentation system and ground support/checkout systems.

Harry Levin, Inc.
Philadelphia, Pennsylvania
Engaged in the retail furniture and appliance business in the Philadelphia, Pennsylvania area.

Ray Jefferson Division
4200 Mitchell Street
Philadelphia, Pennsylvania 19128
Development of marine electronic communication and navigation equipment and accessory instruments for commerical and leisure use, including marine radio telephones, radio direction finders, and marine antennas.

Redco, Inc.
Manufactures and markets control panels and switchgear primarily for use in diesel power electrical generators.

Transfer Agent(s):

Continental Stock Transfer Company
72 Reade Street
New York, New York 10007

Stock Exchange(s). American

Ticker Symbol: JET

Number of Employees:

1989	500
1988	523
1987	681
1986	750
1985	570

Plant Footage:

1989	272,000 sq. ft.
1988	272,000
1987	367,000
1986	367,000
1985	238,000

Sales & Earnings

	Revenues †	Net Income +
1990	$ 45,750,000	$ (1,303,000)
1989	46,107,000	(173,000)
1988	47,563,000	(5,337,000)
1987	45,181,000	1,007,000
1986	37,821,000	1,510,000

	No. of Com. Shares ‡	Earn. per Share +‡
1990	2,457,000	$ —
1989	2,457,000	—
1988	2,457,000	—
1987	2,457,000	0.41
1986	2,454,000	0.62

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $37,000 in 1990 and $68,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business
(000's)

	1990	1989
Electronic communication & navigation equipment	$ 10,584	$ 10,619
Energy conversion products group	24,543	21,436
Retail furniture & appliances	10,623	14,052
Total	$ 45,750	$ 46,107

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	10%	—
1986	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 5,636,000	$ 2.29
1989	6,939,000	2.82
1988	7,183,000	2.92
1987	12,432,000	5.06
1986	11,298,000	4.60

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Jan. 31	1990	1989
Net sales	$ 44,766,000	$ 45,045,000
Other income	984,000	1,062,000
Total income	$ 45,750,000	$ 46,107,000
Cost of sales	34,679,000	34,870,000
Expenses	8,979,000	10,165,000
Prov. for doubtful accts.	119,000	324,000
Interest expense	1,693,000	1,649,000
Restruc. costs	—	631,000
Gain on prop. dispos.	—	(2,021,000)
Income before taxes	$ 280,000	$ 489,000
Income taxes	188,000	231,000
Income - cont. oper.	$ 92,000	$ 258,000
Loss - discont. oper.	(1,432,000)	(699,000)
Net Loss	$ (1,340,000)	$ (441,000)
Extraord. gain	37,000	68,000
Cum. effect of acct. change	—	200,000
Net Loss & extraord. gain	$ (1,303,000)	$ (173,000)

* Included in Costs and Expenses, Depreciation and Amortization: $632,000 in 1990 and $721,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 886,000	$ 686,000
Accts. receiv. net	11,145,000	12,741,000
*Inventories	6,918,000	10,895,000
Prepaid expenses	1,049,000	1,270,000
Book value of subsid. to be sold	1,813,000	—
Current Assets	$ 21,811,000	$ 25,592,000
#Fixed assets	2,087,000	2,479,000
Goodwill	1,181,000	1,121,000
Other assets	1,098,000	1,184,000
Total Assets	$ 26,177,000	$ 30,376,000

Liabilities

Notes payable	$ 8,732,000	$ 10,542,000
Long-term debt. curr	364,000	441,000
Accts. payable	2,050,000	3,397,000
Accrued payroll	206,000	314,000
Other accruals	2,306,000	1,972,000
Curr. Liabilities	$ 13,658,000	$ 16,666,000
Long-term debt	6,883,000	6,771,000
+Common stock	246,000	246,000
Add. paid-in capital	9,473,000	9,473,000
Retained earnings (deficit)	(3,825,000)	(2,522,000)
Exercise of stock options	(258,000)	(258,000)
Total Liabilities & Shareholders' Equity	$ 26,177,000	$ 30,376,000

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tapes stated at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	6.47	4.13
Debt to Equity	2.84	2.56
Working Capital	$ 8,153,000	$ 8,926,000
Current Ratio	1.60	1.54
Shareholders' Equity	$ 5,636,000	$ 6,939,000

John Fluke Mfg. Co., Inc.

6920 Seaway Boulevard
Everett, Washington 98203
(206) 347-6100
FAX: (206) 356-5116

John Fluke Mfg. Co., Inc.

P.O. Box C9090
Everett, Washington 98206

Officers: John M. Fluke, Jr., chairman of the board; George M. Winn, president & chief executive officer; Ronald R. Wambolt, sr. v.p. & dir.-worldwide sales; John R. Smith, vice president & treasurer; Richard W. Van Saun, sr. v.p.-group manager, Service Equipment Group; Jerome A. Froland, v.p. & group mgr.-Business Development Group; George O. Trickell, v.p.-personnel & facilities; William R. Hoffman, v.p. & group mgr.-Philips T&M Group; Valentine C. Gersbach, v.p. & group mgr.-Calibration & Communications Group; Douglas G. McKnight, v.p., gen. counsel & secretary.

Directors: Richard B. Hooper*, James B. Scroggs*, Henry G. Dahl, Jr., John M. Fluke, Jr.*, N. Stewart Rogers*, George M. Winn*, David S. Potter, Philip M. Condit*, James E. Warjone, David L. Fluke, Stephen C. Tumminello.

* Member of the Executive Committee

Areas of Work: Designs, manufactures and sells commercial electronic test and measurement instruments and systems for scientific, educational, industrial and governmental applications. Products manufactured include digital voltmeters and multimeters, electronic counters, frequency synthesizers, digital thermometers, circuit board testers, data loggers, calibrators and standards, signal generators, automatic test systems, IEEE Bus Controllers and microsystem testers. Also sells and supports N.V. Philips' test and measurement instruments in North America and aother selected markets. Products include oscilloscopes, logic analyzers, and electronic counters.

Fluke International Corporation
P.O. Box C9090
Everett, Washington 98206

Instrument Specialists Sales Group
John Fluke Mfg. Co., Inc.
2020 No. Lincoln Street
Burbank, California 91504

CCI Sales Group
1400 Hicks Road
Rolling Meadows, Illinois 60008

SBM Representative Sales Group
John Fluke Mfg. Co. Inc.
West 75 Century Road
Paramus, New Jersey 07652

Fluke (Holland) B.V.

Fluke Foreign Sales Corporation (FSC)

Fluke Electronics Canada, Inc.,
Toronto, Ontario, Canada

Fluke Asia Limited
Hong Kong

HILEVEL Technology, Inc., (25% interest)
Supplier of application specific integrated circuit (ASIC) verification and support systems.

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American, Pacific

Ticker Symbol: FKM

Number of Employees:

1989	2,400	1986	2,500
1988	2,400	1985	2,652
1987	2,400		

Plant Footage:

1989	706,167 sq. ft.	1986	706,167
1988	706,167	1985	706,167
1987	706,167		

Sales & Earnings

	Net Sales	Net Income
1989	$ 247,695,000	$ 23,151,000
1988	224,547,000	12,419,000
1987	206,328,000	2,005,000
1986	209,030,000	12,156,000
1985	216,559,000	15,200,000

	No. of Com. Shares #	Earn. per Share #
1989	8,279,335	$ 2.80
1988	9,210,232	1.35
1987	8,660,738	0.23
1986	9,358,655	1.30
1985	9,506,174	1.60

# Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.15	—	—
1988	—	5%	
1987	—	5%	—
1986	—	5%	—
1985	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 110,122,000 +	$ 15.38
1988	132,371,000 +	14.71
1987	106,820,000	12.63
1986	124,248,000	13.23
1985	111,428,000	11.97

+ After allowing for preferred stock at par value.
‡ Adjusted to reflect stock dividends.

Income Account*
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 247,695	$ 224,547
Cost of sales	125,674	113,464
Expenses	91,217	91,875
Employee benefit plans	7,718	5,215
Interest expense	586	452
Other income	(13,674)	(4,255)
Income before taxes	$ 36,174	$ 17,796
Income taxes	13,023	5,377
Net Income	$ 23,151	$ 12,419

* Included in Costs and Expenses, Depreciation and Amortization: $10,831,000 in 1989 and $10,583,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash	$ 2,627	$ 12,351
Accts. receiv., net	41,613	39,375
*Inventories	47,717	47,570
Deferred inc. taxes	3,375	3,665
Prepaid expenses	1,793	3,246
Current Assets	$ 97,125	$ 106,207
#Fixed assets	55,611	61,363
Invest. in affil.	1,204	5,469
Other assets	3,319	3,410
Total Assets	$ 157,259	$ 176,449

Liabilities
(000's)

Short-term debt	$ 4,000	$ —
Long-term debt, curr.	696	699
Accts. payable	7,383	5,963
Accruals	17,172	14,487
Accruals rel. to restruc.	4,017	9,398
Income taxes	298	974
Curr. Liabilities	$ 33,566	$ 31,521
Long-term debt	2,253	696
Deferred inc. taxes	7,113	7,244
Other deferred liab.	4,205	4,592
+Preferred stock	25	25
++Common stock	2,202	2,202
Add. paid-in capital	100,458	100,747
Retained earnings	64,612	43,055
Treasury stock	(57,175)	(13,633)
Total Liabilities & Shareholders' Equity	$ 157,259	$ 176,449

* At lower of cost (currently adjusted standard) or market.
# Less accumulated depreciation.
+ $0.25 par value; convertible.
++ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.60	7.93
%Net Income to Sales	9.35	5.53
%Net Income to Equity	21.02	9.38
Sales to Inventories	5.19	4.72
Debt to Equity	0.06	0.01
Working Capital	$ 63,559,000	$ 74,686,000
Current Ratio	2.89	3.37
Shareholders' Equity	$ 110,122,000	$ 132,396,000

Johnson Controls, Inc.

5757 North Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201
(414) 228-1200
FAX: (414) 228-2008

Officers: James H. Keyes, president & chief executive officer; Joseph W. Lewis, vice president; George Jacobi, vice president; John M. Barth, vice president; David A. Bigler, vice president; R. Eugene Goodson, vice president; Robert D. Gustine, vice president; J. William Horton, vice president; Walter M. Oliver, v.p.; William P. Killian, vice president; Richard A. Banfield, v.p.; James M. Wade, v.p. & chief financial officer; Florence Klatt, asst. secretary; John P. Kennedy, v.p., secretary & gen. counsel; Stephen A. Roell, treasurer; James J. Lehmann, corp. controller.

Directors: Ettore Barbatelli, Fred L. Brengel*, John S. Randall*, William L. Rootham, John F. Daly, William J. Hubbard, Jr., James H. Keyes, Donald Taylor*, R. Douglas Ziegler*, James L. Krum*, Paul A. Brunner, Robert L. Barnett, Gilbert R. Whitaker, Jr..

* Member of the Executive Committee

Areas of Work: Engaged in the facility management, development, production and servicing of computer systems designed for building automation, fire safety and security and energy systems; manufactures and markets auto batteries and automotive seating; manufactures plastic containers and plastics blowmolding machinery.

Divisions:

Systems & Services Division
507 E. Michigan Street
P.O. Box 423
Milwaukee, Wisconsin 53201
(414) 274-4000

Provides building automation systems and products which can monitor and control every phase of a building's operations including energy conservation, fire safety and security.

Johnson/Yokogawa
4 Dart Road
Shenandoah Industrial Park
Newnan, Georgia 30265-1040
(404) 254-0400

Designs, installs and maintains industrial instrumentation and process control systems.

Control Products Division
507 E. Michigan
P.O. Box 423
Milwaukee, Wisconsin 53201
(414) 274-4000

Designs, produces and distributes energy related products to original equipment manufacturers. Products include a complete line of automatic temperature pressure and flow controls for air conditioning, refrigeration, commercial and residential heating, water pumping and gas burning equipment.

Battery Group
5757 N. Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201
(414) 228-1200

Manufactures and sells automotive and other rechargeable lead-acid batteries.

Automotive Systems Group
825 Victors Way
P.O. Box 1003
Ann Arbor, Michigan 48106
(313) 665-1500

Designs and manufactures complete seating systems and foam and metal seating components for cars, trucks and vans. Designs and manufactures window regulators, latches, locks and other automotive components.

Plastic Technology Group
912 City Road
P.O. Box 129
Manchester, Michigan 48158
(313) 428-8371

Plastic Container Division

Supplies plastic soft drink bottles for the U.S. market.

Plastics Machinery Division

Design and assembly of blowmolding machinery.

Engineered Plastics Division

Manufactures plastic components for automotive applications such as radiator end caps, gears and power steering reservoirs.

Subsidiaries:

Johnson Controls International, Inc.
Milwaukee, Wisconsin

Johnson Controls, Ltd.
Toronto, Ontario, Canada

Transfer Agent(s):

First Wisconsin Trust Co.
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Stock Exchange(s): New York

Ticker Symbol: JCI

Number of Employees:

1989	42,000	1986	26,900
1988	28,900	1985	29,000
1987	26,900		

Plant Footage:

1989	14,000,000 sq. ft.	1987	12,000,000
1988	12,000,000	1986	11,000,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 3,683,600,000	$ 97,500,000
1988	3,099,600,000	103,500,000
1987	2,642,200,000	85,500,000
1986	2,462,800,000	86,100,000
1985	1,768,900,000	68,400,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	37,100,000	$ 2.55
1988	36,600,000	2.83
1987	37,800,000	2.09
1986	38,000,000	2.10
1985	32,500,000	2.09

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Controls	$ 1,252,400	$ 1,083,900
Automotive	1,187,600	875,700
Battery	658,700	651,100
Plastics	584,900	488,900
Total	$ 3,683,600	$ 3,099,600

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.16	—	—
1988	1.10	—	
1987	1.06	—	2-for-1
1986	1.00	—	—
1985	0.93	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 973,300,000 #	$ 24.73
1988	852,500,000	23.40
1987	770,364,000	21.69
1986	753,841,000 †	20.90
1985	690,331,000 †	19.67

# After allowing for preferred stock after deducting ESOP unearned compensation at stated value.
† After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 3,683,600	$ 3,099,600
Cost of sales	3,084,100	2,509,500
Expenses	394,500	379,800
Oper. profit	$ 205,000	$ 210,300
Interest income	(6,000)	(4,700)
Interest expense	39,500	30,800
Other income	(7,400)	(2,300)
Income before taxes	$ 178,900	$ 186,500
Income taxes	81,400	83,000
Net Income	$ 97,500	$ 103,500

* Included in Costs and Expenses, Depreciation and Amortization: $143,700,000 in 1989 and $115,600,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 27,000	$ 20,000
Accts. receiv., net	667,800	592,900
*Inventories	270,400	256,800
Other curr. assets	135,600	88,800
Current Assets	$ 1,100,800	$ 958,500
#Fixed assets	838,200	760,000
Goodwill	215,300	188,200
Invest. in affil.	86,600	22,500
Other assets	174,100	84,100
Total Assets	$ 2,415,000	$ 2,013,300

Liabilities
(000's)

	1989	1988
Short-term debt	$ 185,000	$ 108,700
Long-term debt, curr.	9,800	10,600
Accts. payable	351,300	279,900
Accrued compensation	96,600	93,000
Accrued inc. taxes	30,900	33,700
Billings in excess of costs	57,600	58,700
Other curr. liabilities	106,700	111,100
Curr. Liabilities	$ 837,900	$ 695,700
Long-term debt	445,100	342,100
Other liabilities	75,600	50,500
Deferred inc. taxes	78,500	72,500
+ Preferred stock	175,000	—
++ Common stock	6,900	6,400
ESOP unearned compensation	(170,400)	—
Add. paid-in capital	477,600	405,800
Retained earnings	545,300	494,000
Treasury stock	(59,500)	(58,900)
Cum. trans. adjust.	3,000	5,200
Total Liabilities & Shareholders' Equity	$ 2,415,000	$ 2,013,300

* At lower of cost (LIFO) or market; foreign at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value; Series D convertible.
++ $0.16 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.86	6.02
%Net Income to Sales	2.65	3.34
%Net Income to Equity	9.97	12.14
Sales to Inventories	13.62	12.07
Debt to Equity	0.65	0.54
Working Capital	$ 262,900,000	$ 262,800,000
Current Ratio	1.31	1.38
Shareholders' Equity	$ 977,900,000	$ 852,500,000

Joslyn Corporation

30 South Wacker Drive
Chicago, Illinois 60606
(312) 454-2920
FAX: (312) 454-2930

Officers: Donald B. Hamister, chairman of the board; Richard A. Kruk, president & chief exec. officer; Kenneth P. Banas, v.p.; Charles A. Collins, v.p.; Daniel Dumont, v.p.; Wayne M. Koprowski, v.p., general counsel & secretary; Raymond E. Micheletti, sr. v.p.; Steven L. Thunander, v.p.; Lawrence G. Wolski, sr. v.p., finance & administration.

Directors: Donald B. Hamister, chairman; Richard A. Kruk, Barry L. MacLean, Walter W. Schoenholz, Edward F. Tuck, Lawrence G. Wolski.

Areas of Work: Electric Utility: The Company manufactures a family of switchgear products incorporating either vacuum or sulfur hexafluoride gas technolgy used in power switching applications by the utilities. Joslyn's apparatus and hardware are used throughout the world for the protection, construction and maintenance of electric power transmission and distribution facilities.

Industrial Controls: The Company is the world's largest producer of vacuum switchgear for steel industry arc furnaces. It also produces a wide family of AC and DC motor contactors and starters, controllers, relays and rheostats. Joslyn is a leading supplier of fire pump controllers for automatic fire protection systems.

Telecommunications: Electronic and electrical equipment using gas tube technology is produced for the suppression and control of voltage and current surges. Air pressurization and dehydration products are manufactured for pressurization of insulated cables, antenna lines and waveguides and similar systems.

Defense and Aerospace: The Company produces precision voltage surge arresters to protect key military systems. The Corporation's subsidiaries manufacture connector accessories, flexible conduit and interconnecting devices, and design and manufacture high reliability air and gas dehydration and purification systems for the military.

Divisions and Subsidiaries:

ELECTRIC UTILITY:

Joslyn Canada
Lachine, Quebec, Canada

Joslyn Hi-Voltage Corporation
Cleveland, Ohio
Woodstock, Illinois

Joslyn Manufacturing Co.
Chicago, Illinois
Franklin Park, Illinois
Birmingham, Alabama

Joslyn Power Products Corporation
Alsip, Illinois

INDUSTRIAL CONTROLS:

Joslyn Clark Controls, Inc.
Lancaster, South Carolina

Joslyn Hi-Voltage Corporation
Cleveland, Ohio
Woodstock, Illinois

TELECOMMUNICATIONS:

ADK Pressure Equipment Corporation
Ontario, Canada
Boulder, Colorado

Joslyn Electronic Systems Corporation
Goleta, California
Lompoc, California
Spokane, Washington

DEFENSE AND AEROSPACE:

Air Dry Corporation of America
Moorpark, California

Sunbank Electronics, Inc.
Burbank, California

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JOSL (NASDAQ)

Number of Employees

1989	2,100	1986	1,650
1988	2,275	1985	1,700
1987	1,650		

Sales & Earnings

	Net Sales	Net Income
1989	$ 211,974,000	$ 12,370,000
1988	206,029,000	12,794,000
1987	156,480,000	(5,087,000)
1986	149,501,000	10,758,000
1985	161,514,000	11,447,000

	No. of Com. Shares +	Earn. per Share +
1989	4,742,000	$ 2.61
1988	4,778,000	2.68
1987	4,805,000	—
1986	4,791,000	2.25
1985	4,829,000	2.37

(Loss)
+ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Electrical technologies	$ 114,592,000	$ 116,594,000
Utility systems	97,382,000	89,435,000
Total	$ 211,974,000	$ 206,029,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.60	—	—
1988	1.56	—	
1987	1.48	—	—
1986	1.44	—	—
1985	1.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 109,290,000	$ 23.14
1988	105,534,000	22.15
1987	100,980,000	21.04
1986	112,843,000	23.56
1985	109,142,000	22.77

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 211,974,000	$ 206,029,000
Cost of sales	165,562,000	154,438,000
Expenses	26,980,000	24,479,000
Profit-sharing expense	2,588,000	1,728,000
Gen. corp. expense	4,943,000	4,419,000
Interest expense	439,000	313,000
Interest income	(779,000)	(580,000)
Other expense (income)	(7,879,000)	438,000
Income before taxes	$ 20,120,000	$ 20,794,000
Income taxes	7,750,000	8,000,000
Net Income	$ 12,370,000	$ 12,794,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,632,000 in 1989 and $5,483,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 2,184,000	$ 3,028,000
Marketable securities	12,319,000	—
Accts. receiv., net	23,879,000	28,022,000
*Inventories	41,588,000	46,037,000
Prepaid expenses	15,339,000	12,722,000
Current Assets	$ 95,309,000	$ 89,809,000
Prepaid taxes & other assets	5,403,000	8,055,000
#Fixed assets	40,872,000	40,463,000
Goodwill	22,834,000	25,259,000
Total Assets	$ 164,418,000	$ 163,586,000

Liabilities

Accts. payable	$ 8,559,000	$ 11,316,000
Accruals	24,174,000	21,608,000
Income taxes	2,395,000	2,128,000
Current Liabilities	$ 35,128,000	$ 35,052,000
Environmental accrual	20,000,000	23,000,000
+Common stock	5,904,000	5,954,000
Retained earnings	103,241,000	99,593,000
Cum. trans. adjust.	145,000	(13,000)
Total Liabilities & Shareholders' Equity	$ 164,418,000	$ 163,586,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.49	10.09
% Net Income to Sales	5.84	6.21
% Net Income to Equity	11.32	12.12
Sales to Inventories	5.10	4.48
Working Capital	$ 60,181,000	$ 54,757,000
Current Ratio	0.66	0.64
Shareholders Equity	$ 109,290,000	$ 105,534,000

Kaman Corporation

Blue Hills Avenue
P.O. Box 1
Bloomfield, Connecticut 06002
(203) 243-8311
FAX: (203) 243-6365

Officers: Charles H. Kaman, chairman & chief exec. officer; Harvey S. Levenson, president & chief operating officer; Richard E.W. Smith, v.p.; Glenn M. Messemer, v.p. & secretary general counsel; William P. Desautelle, sr. v.p. & treasurer; Robert M. Garneau, sr. v.p. & treasurer; Russell H. Jones, v.p.; Eugene G. Daly, asst. v.p.; J. Kenneth Nasshan, asst. v.p.; Ronald M. Galla, v.p.; James A. Morholt, asst. v.p.; Candace A. Clark, asst. secretary & associate counsel; Roger W. Roy, asst. controller; Raymond H. Picard, asst. controller.

Directors: Charles H. Kaman*, chairman; John S. Murtha*, Carlyle F. Barnes, Robert H. Willis*, D. Brainerd Holmes, Frank C. Carlucci, Robert L. Newell*, Forrest S. Petersen, Edythe J. Gaines, Hartzel Z. Lebed, John A. DiBiaggio, Walter H. Monteith, Jr., Harvey S. Levenson, William L. Webb, Jr., Frank Carlucci.

* Member of the Executive Committee

Areas of Work: The Company conducts its business through two indsutry segments: Diversified Technologies and Distribution. Through its Diversified Technologies operations, the Company provides scientific services and systems development primarily for the U.S. armed forces and government agencies; advanced technology products for military and commercial applications; helicopters, helicopter modifications and spare parts for the U.S. Navy; and aerospace subcontracting for defense and commercial prime contractors. Through its Distribution operations, the Company distributes industrial products, including bearings, power transmission, hydraulic, and electrical/electronic drive systems products and accessories, and distributes musical instrments and accessories.

Divisions and Subsidiaries:

DIVERSIFIED TECHNOLOGIES

Sciences Group
Advanced materials, measuring devices, weapons studies, advanced aerodynamics, computer time-sharing and programs, and systems analysis.

Kaman Sciences Corporation
Garden of the Gods Road
Colorado Springs, Colorado 80907

Kaman Instrumentation Corporation
Colorado Springs, Colorado 80907

Kaman AviDyne
Barlingto, Massachusetts

Aerospace Group
Airframe components; rotary wing, energy systems, research and development; bearings, couplings.

Kaman Aerospace Corporation
Bloomfield, Connecticut 06002

Kamatics Corporation
Bloomfield, Connecticut 06002

Aviation Services Group
Aircraft sales and services, fuel, repair, charter service, flight training and airline services.

AirKaman of Jacksonville, Inc.
Jacksonville International Airport
Box 18157
Jacksonville, Florida 32229

Locus, Inc.
Specializes in the areas of electronic warfare simulation, electromagnetic signal intelligence analysis, and telecommunications products in the microwave frequency range.

Raymond Engineering Inc.
Defense products.

DISTRIBUTION

Music Group
Acoustic and electric guitars, accessories, musical strings; pianos, a complete line of musical instruments.

Coast Wholesale Music Co. of Los Angeles
1215 W. Walnut Street
Compton, California 90220

Coast Wholesale Music Co. of San Francisco
200 Industrial Way
San Carlos, California

Ovation Instruments, Inc.
Bloomfield, Connecticut

Kaman Musical String Corporation
Bloomfield, Connecticut

Kaman Music International Corp.
Bloomfield, Connecticut

C. Bruno & Son, Inc.
San Antonio, Texas
Wheeling, Illinois
Bloomfield, Connecticut
Atlanta, Georgia

Industrial Technologies Group
Electrical and electronics products, fluid power, hydraulic and industrial hose, and material handling components.

Kaman Aircraft Bearing
Los Angeles, California

Kaman Industrial Technologies Corp. of California
Kaman Industrial Technologies Corp.
140 S. Arrowhead Avenue
San Bernardino, California 92408

Kaman Industrial Technolgies Corp. Intermountain
1771 South 450 West
Salt Lake City, Utah 84110

Kaman Industrial Technologies Corp. Northwest
East 4115 Trent Avenue
Spokane, Washington 99220

Kaman Industrial Technolgies Corp. East
5900 Firestone Drive
Syracuse, New York 13221

Kaman Industrial Technologies Corp. South
1129 E. Platt Street
Tampa, Florida 33602

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
Bank Window, Church Street Station
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KAMNA (NASDAQ); KAMNG (6% convertible debentures)

Number of Employees:

1989	6,439	1986	6,333
1988	6,391	1985	5,326
1987	6,473		

Plant Footage:

1989	4,394,000 sq. ft.	1988	2,844,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 801,830,000	$ 8,722,000
1988	767,851,000	25,299,000
1987	706,971,000	24,140,000
1986	587,820,000	20,256,000
1985	556,042,000	19,119,000

	No. of Com. Shares +	Earn. per Share ‡
1989	18,194,971	$ 0.48
1988	17,831,675	1.42
1987	17,549,433	1.37
1986	17,350,394	1.16
1985	17,189,237	1.11

+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1989 (000's)	%	1988 (000's)	%
Diversified technologies	$ 405,490	51 %	$ 410,970	54 %
Distribution	395,360	49	356,271	46
Total	$ 800,850	100 %	$ 767,241	100 %

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.44	—	—
1988	0.42	—	
1987	0.36	—	8-for-5
1986	0.30	—	—
1985	0.25	—	3-for-2

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 182,496,000	$ 10.03
1988	178,582,000	10.01
1986	136,802,000	7.88
1985	120,218,000	6.99
1984	104,184,000	6.12

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1989	1988
Revenues:		
Net sales	$ 800,850,000	$ 767,241,000
Other	980,000	610,000
Total	$ 801,830,000	$ 767,851,000
Cost of sales	624,323,000	574,125,000
Expenses	148,214,000	141,059,000
Interest expense	12,101,000	10,109,000
Other expense	585,000	406,000
Income before taxes	$ 16,607,000	$ 42,152,000
Income taxes	7,885,000	16,853,000
Net Income	$ 8,722,000	$ 25,299,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,765,000 in 1989 and $11,174,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 8,687,000	$ 10,097,000
Accts. receiv., net	183,042,000	158,294,000
*Inventories	123,256,000	124,663,000
Other curr. assets	4,488,000	5,195,000
Current Assets	$ 319,473,000	$ 298,249,000
#Fixed assets	82,925,000	82,396,000
Intangibles	33,497,000	34,448,000
Other assets	5,225,000	5,284,000
Total Assets	$ 441,120,000	$ 420,377,000

Liabilities

Notes payable	$ 20,164,000	$ 7,585,000
Long-term debt, curr.	2,937,000	2,846,000
Accounts payable	45,468,000	56,718,000
Accrued payroll	7,424,000	8,270,000
Accrued vacations	6,103,000	5,668,000
Other accruals & payables	33,410,000	24,177,000
Inc. taxes payable	3,099,000	4,412,000
Curr. Liabilities	$ 118,605,000	$ 109,676,000
Long-term debt	130,647,000	123,449,000
Deferred credits	9,372,000	8,670,000
+Common stock:		
Class A	17,529,000	17,165,000
Class B	668,000	668,000
Add. paid-in capital	19,875,000	16,563,000
Retained earnings	145,053,000	144,279,000
Unamort. restric. stock awards	(621,000)	—
For. curr. trans. adjust.	8,000	(74,000)
Treasury stock	(16,000)	(19,000)
Total Liabilities & Shareholders' Equity	$ 441,120,000	$ 420,377,000

* Inventory of merchandise for resale and parts are stated at cost (average) or market, whichever is lower.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.07	5.49
%Net Income to Sales	1.09	3.30
%Net Income to Equity	4.78	14.17
Sales to Inventories	6.50	6.15
Debt to Equity	0.84	0.75
Working Capital	$ 200,868,000	$ 188,573,000
Current Ratio	2.69	2.72
Shareholders' Equity	$ 182,496,000	$ 178,582,000

Keithley Instruments, Inc.

28775 Aurora Road
Solon, Ohio 44139
(216) 248-0400
FAX: (216) 248-6168

Officers: Joseph F. Keithley, chairman of the board; Thomas G. Brick, president & chief exec. officer; Joseph P. Keithley, vice chairman & exec. v.p.; Terrence E. Sheridan, v.p.-radiation measurements division; Frederick R. Hume, v.p.-instrument division; James B. Griswold, secretary; Ronald M. Rebner, v.p. & chief financial officer; Wiliam C. Kabele, v.p.-systems division; Hermann Hamm, v.p.-European operations; Ronald Ruiz, v.p.-U.S. sales division; Mark J. Plush, Controller & assistant secretary.

Directors: Theodore M. Alfred, Donald M. Alstadt, Thomas G. Brick, Joseph F. Keithley, James B. Griswold, James T. Bartlett, Angel G. Jordan, Joseph P. Keithley, Arden L. Bement, Jr., Ronald M. Rebner.

Areas of Work: The Company's main product line consists of voltage, current and resistance measuring instruments; digital multimeters, electrometers, picometers, amplifiers and power supplies, and linear programmable testers for semiconductor manufacturers.

Keithley Instruments, Inc.

Divisions:

Radiation Measurements Division
Instrument Division
Systems Division
U.S. Sales Division
Data Acquisition & Control Division

All at:
28775 Aurora Road
Cleveland, Ohio 44139
(216) 248-0400

Subsidiaries:

Keithley International Investment Corporation
28775 Aurora Road
Solon, Ohio 44139
(216) 248-0400

Keithley Foreign Sales Corporation
5 Norre Gade
Charlotte Amalie
St. Thomas 00801, U.S. Virgin Islands

Keithley Instruments, SARL
3, allee des Garays
91121 Palaiseau Cedex (Paris), France

Keithley Instruments, BV
Avelingen-West 49
4202 Gorinchem (Amsterdam), The Netherlands

Keithley Instruments, S.A.
Kriesbachstrasse 4
CH-8600 Dubendorf (Zurich), Switzerland

Keithley Instruments, Ges.m.b.H.
Rosenhugelstrasse 12
1120 Vienna, Austria

Keithley Instruments, Ltd.
58 Portman Road
Reading (London), Berkshire RG3 IEA, England

Keithley Instruments, GmbH
Heiglhofstrasse 5
D-8000 Munich 70, West Germany

Keithley Instruments SRL
Viale S. Gimignano 4/A
20146 Milan, Italy

Keithley Instruments Far East KK
ABS Building
2-4-16, Kudan Minami
Chiyoda-ku, Tokyo 102, Japan

Asyst Software Technologies, Inc.
100 Corporate Woods
Rochester, New York 14623
(716) 272-0070
Provides PC-based data acquisition and analysis software for scientific/engineering applications.

Metrabyte Corporation
440 Myles Standison Blvd.
Taunton, Massachusetts 02780

Transfer Agent(s):

AmeriTrust Company National Association
Cleveland, Ohio

Stock Exchange(s): American

Ticker Symbol: KEI

Number of Employees:

1989	742	1986	479
1988	579	1985	483
1987	523		

Plant Footage:

1989	124,140 sq.ft.	1986	124,140
1988	124,140	1985	124,140
1987	124,140		

Sales & Earnings

	Net Sales	Net Income
1989	$ 88,728,000	$ 4,131,000
1988	72,282,000	5,414,000
1987	57,652,000	3,280,000
1986	47,681,000	2,909,000
1985	47,087,000	2,821,000

	No. of Com. Shares +	Earn. per Share †
1989	3,504,628	$ 1.18
1988	3,492,350	1.55
1987	3,477,497	0.97
1986	3,358,648	0.87
1985	3,344,644	0.85

+ Adjusted to reflect stock splits.
† Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.2952	—	—
1988	0.2070	—	
1987	0.1638	—	3-for-2
1986	0.1476	—	—
1985	0.1210	—	3-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 34,216,000	$ 9.76
1988	30,518,000	8.74
1987	25,577,000	7.36
1986	20,644,000	6.15
1985	17,298,000	5.17

† Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 88,728,000	$ 72,282,000
Cost of sales	32,331,000	25,810,000
Expenses	46,124,000	36,690,000
Amort. of intangibles	1,483,000	1,364,000
Interest expense	1,479,000	214,000
Income before taxes	$ 7,311,000	$ 8,204,000
Income taxes	3,180,000	2,790,000
Net Income	$ 4,131,000	$ 5,414,000

* Included in Costs and Expenses, Depreciation: $2,241,000 in 1989 and $1,743,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 1,998,000	$ 3,839,000
Short-term invest.	—	2,028,000
Accts. receiv., net	15,181,000	12,280,000
*Inventories	14,134,000	10,587,000
Prepaid inc. taxes	1,496,000	1,128,000
Prepaid expenses	764,000	689,000
Current Assets	$ 33,573,000	$ 30,551,000
#Fixed assets	10,770,000	7,642,000
Intangibles	24,088,000	7,023,000
Other assets	1,486,000	1,386,000
Total Assets	$ 69,917,000	$ 46,602,000

Liabilities

Short-term debt & long-term debt, curr.	$ 976,000	$ 354,000
Accts. payable	3,397,000	3,356,000
Accrued pay. & other exp.	3,495,000	4,295,000
Other accruals	2,840,000	2,454,000
Income taxes	1,644,000	2,451,000
Curr. Liabilities	$ 12,352,000	$ 12,910,000
Long-term debt	21,443,000	1,673,000
Other liabilities	1,870,000	1,336,000
Deferred inc. taxes	36,000	165,000
+Common stock:		
Class A	95,000	94,000
Class B	80,000	81,000
Add. paid-in capital	3,200,000	3,038,000
Retained earnings	30,200,000	26,590,000
Foreign curr. transl.	641,000	715,000
Total Liabilities & Shareholders' Equity	$ 69,917,000	$ 46,602,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.05 stated value.

Statistical Summary

%Income bef. Taxes to Sales	8.24	11.35
%Net Income to Sales	4.66	7.49
%Net Income to Equity	12.07	17.74
Sales to Inventories	6.28	6.83
Debt to Equity	0.66	0.07
Working Capital	$ 21,221,000	$ 17,641,000
Current Ratio	2.72	2.37
Shareholders' Equity	$ 34,216,000	$ 30,518,000

Keltron Corporation

225 Crescent Street
Waltham, Massachusetts 02154
(617) 894-8700

Officers: David S. Wilbourn, chief executive officer & treasurer; Harvey M. Fox, president; Jack H. Calechman, clerk.

Directors: David S. Wilbourn, chairman; John A. Geishecker, Jr., Harvey M. Fox, Jason Weisman.

Areas of Work: Manufactures and markets digital instruments, power supplies and security alarm systems.

Divisions:

Elasco Power Supply
Manufactures transformers and other power supplies.

Transfer Agent(s):

Keltron Corporation
225 Crescent Street
Waltham, Massachusetts 02154

Stock Exchange(s): Over-the-Counter

Number of Employees:

1988	170	1985	235
1987	155	1984	275
1986	170		

Plant Footage:

1988	65,000 sq. ft.	1985	70,000
1987	65,000	1984	74,000
1986	65,000		

Sales & Earnings

	Revenues	Net Income
1988	$ 7,931,663	$ (39,671)
1987	7,260,447	(2,284)
1986	7,387,575	(54,274)
1985	8,876,393	(92,596)
1984	9,694,423	36,053

	No. of Com. Shares	Earn. per Share ‡
1988	841,810	$ —
1987	841,810	—
1986	841,810	—
1985	841,810	—
1984	841,810	0.04

(Loss)
‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1988	1987	1986	1985
Digital Instruments	23 %	30 %	26 %	25 %
Power Supplies	77	70	74	75
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 1,646,915	$ 1.96
1987	1,686,586	2.00
1986	1,688,870	2.01
1985	1,743,144	2.07
1984	1,853,790	2.20

Income Account

Year ended Dec. 31	1988	1987
Net sales	$ 7,905,404	$ 7,207,684
Rental income	17,300	26,075
Other income	8,959	26,688
Total income	$ 7,931,663	$ 7,260,447
Cost of sales	6,138,587	5,441,091
Expenses	1,483,519	1,407,171
Depreciation & amortization	160,721	238,526
Interest expense	154,493	124,843
Prior year adjust.	22,000	44,000
State inc. taxes	12,014	7,100
Net Loss	$ (39,671)	$ (2,284)

Assets

As of Dec. 31	1988	1987
Cash	$ 22,462	$ 29,048
Marketable securities	39,947	39,053
Accts. receiv., net	1,207,974	1,208,593
Note receiv.	—	7,850
Other accts. receiv.	44,875	49,283
*Inventories	2,321,542	2,345,158
Prepaid expenses	10,200	4,625
Current Assets	$ 3,647,000	$ 3,683,610
#Fixed assets	240,214	300,185
Note receivable	—	368,211
Other assets	53,075	53,075
Total Assets	$ 3,940,289	$ 4,405,081

Liabilities

Notes payable	$ 1,050,126	$ 1,165,343
Long-term debt, curr.	161,420	373,503
Accts. payable	736,185	794,684
Accruals	153,593	102,590
Commissions payable	79,163	48,506
Income taxes	—	7,100
Curr. Liabilities	$ 2,180,487	$ 2,491,726
Long-term debt	112,887	226,769
+Common stock	8,418	8,418
Add. paid-in capital	405,172	405,172
Retained earnings	1,233,325	1,272,996
Total Liabilities & Shareholders' Equity	$ 3,940,289	$ 4,405,081

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	3.41	3.07
Debt to Equity	0.80	1.05
Working Capital	$ 1,466,513	$ 1,191,884
Current Ratio	1.67	1.48
Shareholders' Equity	$ 1,646,915	$ 1,686,586

Ketema, Inc.

2233 State Road
Bensalem, Pennsylvania 19020
(215) 639-2255

Officers: Robert L. Noland, president & chief exec. officer; Henry Schladen, Jr., sr. v.p.-operations; Gary M. Noland, sr. v.p.-operations; Otto W. Richards, sr. v.p. & chief financial officer; William Yuschak, treasurer & secretary.

Directors: Alexander G. Anagnos, William J. Catacosinos, Charles D. Klein, Robert L. Noland, Elizabeth R. Varet.

Areas of Work: The Company supplies components, equipment, materials and design services for a broad base of customers in the aerospace, process and construction industries.

Divisions:

INDUSTRIAL PRODUCTS GROUP

Aluminum Extrusion
Los Angeles, California

Los Angeles Die Casting
Los Angeles, California

Heat Trasfer Equipment
Grand Prairie, Texas

Rodan
Anaheim, California

Special Filaments
Odenton, Maryland

ENGINEERED PRODUCTS & SERVICES GROUP

Aerospace & Electronics
El Cajon, California

Composite Materials
Santa Ana, California

Textile Products
Anaheim, California

Programmed Composites
Brea, California

Schutte & Koerting
Bensalem, Pennsylvania

Process Equipment
Santee, California

McCrometer
Hemet, California

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Shareholder Services Division
One New York Plaza, 14th floor
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: KTM

Number of Employees:

1990 .... 1,900 1989 2,100

Plant Footage:

1990 .... 1,349,000 sq. ft. 1989 1,354,000

Sales & Earnings

	Net Sales #	Net Income
2/28/90	$ 190,432,000	$ 4,866,000
2/28/89	204,779,000	(12,701,000)
12/31/87	189,009,000	4,481,000
12/31/86	176,452,000	307,000
12/31/85	177,491,000	7,876,000

	No. of Com. Shares +	Earn. per Share +
2/28/90	4,417,416	$ 0.10
2/28/89	4,401,871	—

NOTE: Effective Nov. 30, 1988, one share of the Company's common stock was issued for each ten shares of common stock of Ametek, Inc. then outstanding to Ametek stockholders of record as of the close of business on that date. As a result of such distribution, the Company became a stand-alone publicly held corporation and ceased to be a wholly-owned subsidiary of Ametek, therefore there is no common share information prior to 1989.
(Loss)
# Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Li[illegible]iness

	[illegible]	2/28/89
Industrial products	$ 1[illegible]	$ 100,755,000
Engineered products & services	90,4[illegible],000	104,024,000
Total	$ 190,432,000	$ 204,779,000

Common Stock Equity

	Total Equity	Equity Per Share +
2/28/90	$ 72,214,000	$ 16.35
2/28/89	70,433,000	16.00
12/31/87	58,759,000	—
12/31/86	52,120,000	—
12/31/85	62,709,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Feb. 28	1990	1989
Net sales	$ 190,432,000	$ 204,779,000
Cost of sales	157,864,000	177,333,000
Expenses	22,686,000	20,024,000
Depreciation	5,602,000	6,522,000
Cost assoc. with Ametek spin-off	—	1,570,000
Other income	(586,000)	(675,000)
Income before taxes	$ 4,866,000	$ 5,000
Income taxes	—	147,000
Income (loss)-cont. oper	$ 4,866,000	$ (142,000)
Loss-discont. oper.	—	(12,559,000)
Net Income (Loss)	$ 4,866,000	$ (12,701,000)

Assets

As of Feb. 28	1990/89	1989
Cash & cash equiv.	$ 2,816,000	$ 24,648,000
Marketable securities	70,218,000	53,868,000
Accts. receiv., net	28,297,000	33,426,000
*Inventories	17,009,000	13,920,000
Prepaid expenses	2,378,000	1,695,000
Net assets held for dispos.	—	138,000
Current Assets	$ 120,718,000	$ 127,695,000
#Fixed assets	29,364,000	31,762,000
Other assets	19,749,000	9,845,000
Total Assets	$ 169,831,000	$ 169,302,000

Liabilities

Long-term debt, curr.	$ 45,000	$ 38,000
Accts. payable	11,498,000	12,040,000
Accrued emp. compensation	6,427,000	5,764,000
Other accruals	14,574,000	16,411,000
Current Liabilities	$ 32,544,000	$ 34,253,000
Long-term debt	62,924,000	62,741,000
Deferred inc. taxes	716,000	883,000
Other liabilities	1,433,000	992,000
+Common stock	4,495,000	4,402,000
Add. paid-in capital	73,660,000	72,576,000
Retained earnings (deficit)	(2,430,000)	(7,296,000)
Cum. effect of acct. change	643,000	751,000
Treasury stock	(3,542,000)	—
Unearned compensation	(612,000)	—
Total Liabilities & Shareholders' Equity	$ 169,831,000	$ 169,302,000

* At lower of cost (primarilty LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.56	—
% Net Income to Sales	2.56	—
% Net Income to Equity	6.74	—
Sales to Inventories	11.20	14.71
Debt to Equity	0.87	0.89
Working Capital	$ 88,174,000	$ 93,442,000
Current Ratio	3.71	3.73
Shareholders Equity	$ 72,214,000	$ 70,433,000

Kevlin Microwave Corporation

5 Cornell Place
Wilmington, Delaware 01887
(508) 657-3900

Officers: James S. Galbraith, chairman emeritus; Ernest W. Lattanzi, chairman, treasurer & chief executive officer; John J. Moran, v.p. & clerk; E. Joseph Simmons, president & chief operating officer; John F. Rice, v.p.

Directors: James S. Galbraith, chairman emeritus; Ernest W. Lattanzi, chairman; John J. Moran, David Harkins, Bernard Plansky, Arthur C. Williams.

Areas of Work: Manufactures microwave rotary couplers, microwave connectors, ferrite components, and associated devices. The company's major product, microwave rotary couplers, allows microwave signals to travel between the stationary portion and the antenna or rotating portion of the system, without materially affecting the quality of the microwave signal.

Subsidiary:

Kevlin International, Inc.
Foreign Sales Corporation.

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KVLM (NASDAQ)

Number of Employees:

1988	100	1985	115
1987	94	1984	104
1986	95		

Plant Footage:

1988	30,000 sq. ft.	1985	30,000
1987	30,000	1984	30,000
1986	30,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 7,812,707	$ 55,401
1987	5,873,021	25,644
1986	8,310,213	646,378
1985	8,839,837	980,420
1984	7,517,663	785,154

	No. of Com. Shares #	Earn per Share #
1988	2,594,367	$ 0.02
1987	2,590,101	0.01
1986	2,618,857	0.25
1985	2,606,155	0.38
1984	2,500,720	0.31

Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 6,245,366	$ 2.40
1987	6,150,815	2.42
1986	6,079,129	2.44
1985	5,348,093	2.19
1984	4,387,697	1.86

Income Account *

Year ended May 31	1988	1987
Net sales	$ 7,812,707	$ 5,873,021
Cost of sales	6,167,404	4,257,778
Expenses	1,690,613	1,718,825
Interest income	(111,750)	(146,103)
Other expense	5,727	28,676
Income before taxes	$ 60,713	$ 13,845
Income taxes (credit)	5,312	(11,799)
Net Income	$ 55,401	$ 25,644

* Included in Costs and Expenses, Depreciation: $416,761 in 1987 and $395,319 in 1986.

Assets

As of May 31	1988	1987
Cash	$ 2,445,355	$ 2,040,315
Accts. receiv., net	1,569,813	1,206,599
* Inventories	1,267,759	1,414,014
Costs in exc. of billings on uncomp. contracts	1,053,921	947,216
Refund. inc. taxes	216,411	228,702
Prepaid expenses	142,414	72,674
Current Assets	$ 6,695,673	$ 5,909,520
# Fixed Assets	1,168,536	1,388,115
Total Assets	$ 7,864,209	$ 7,297,635

Liabilities

Accts. payable	$ 356,720	$ 149,110
Billings in exc. of costs on uncomp. cont.	227,338	109,622
Accruals	572,562	384,158
Income taxes	74,115	—
Deferred inc. taxes	85,872	184,454
Obligation under capital lease, curr.	22,935	28,746
Curr. Liabilities	$ 1,339,542	$ 856,090
Deferred income taxes	279,301	267,795
Oblig. under capital lease	—	22,935
+ Common stock	290,388	284,638
Add. paid-in capital	1,793,793	1,745,993
Retained earnings	4,652,697	4,597,296
Treasury stock	(491,512)	(477,112)
Total Liabilities & Shareholders' Equity	$ 7,864,209	$ 7,297,635

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.78	0.24
%Net Income to Sales	0.71	0.44
%Net Income to Equity	0.89	0.42
Debt to Equity	—	0.01
Working Capital	$ 5,356,131	$ 5,053,430
Current Ratio	5.00	6.90
Shareholders' Equity	$ 6,245,366	$ 6,150,815

KLA Instruments Corporation

2051 Mission College Boulevard
P.O. Box 58016
Santa Clara, California 95052
(408) 988-6100
FAX: (408) 727-6930

Officers: Kenneth Levy, president & chief exec. officer; Robert R. Anderson, chairman; Patrick H. Lamey, Jr., v.p., general mgr.-WISARD Division; Robert J. Boehlke, exec. v.p.-chief operating officer; Paul Sandland, sr. v.p.-chief technical officer; Michael McCarver, v.p.-general mgr.-RAPID Division; Dan Vilenski, v.p. & managing director-KLA Israel; John W. Mathews, v.p. & gen. mgr.-KLASIC Division; Paul Kreutz, secretary.

Directors: Robert R. Anderson, chairman of the board; Leo J. Chamberlain, Kenneth Levy, Robert E. Lorenzini, Dr. Yoshio Nishi, Dag Tellefsen.

Areas of Work: Designs, manufactures, markets and services computer-based systems that are used to automate optical testing and inspection to control manufacture of very large scale intergrated (VLSI) circuits. These automated image analysis systems combine advanced optical technology with custom, high-speed digital electronics and proprietary software in replacing the human eye-brain recognition and interpretation traditionally used for optical inspection and testing.

Divisions and Subsidiaries:

Reticle and Photomask Inspection Division

Wafer Inspection (WISARD) Division

Automated Test Systems (ATS) Division

KLA Scanning Inspection, and Classification (KLASIC) Division

KLA Instruments Limited
2 Weller Drive
Hogwood Lane Industrial Estate
Wokingham, Berkshire RG11 4QZ England
44-734-730600

KLA Instruments GmbH
Leonrodstr. 58
D-8000
Munich 19, West Germany
49-89-18-2075

KLA Japan Technology Center, Ltd.
KLA/TEL Japan Division
Endo Daini Building
1-31-11 Akebono-Cho
Tachikawa-City, Tokyo 190, Japan
81-425-23-2181

KLA Instruments-Israel
Science Avenue
North Industrial Center
P.O. Box 143
Migdal Ha'Emek 10500, Israel
972-65-42987

KLA Instruments S.A.
25 Rue Michael Faraday
78180 Montigny-Le-Bretonneux
France
33-1304-53003

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLAC (NASDAQ)

Number of Employees:

1989	N.A.	1987	647
1988	N.A.	1986	614

Plant Footage:

1989	N.A.	1987	159,300 sq. ft.
1988	N.A.	1986	162,000

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 165,459,000	$ 11,678,000
1988	112,851,000	8,827,000
1987	88,194,000	7,489,000
1986	82,526,000	9,854,000
1985	62,878,000	8,802,000

	No. of Com. Shares	Earn. per Share ‡
1989	17,856,000	$ 0.65
1988	17,711,000	0.49
1987	17,425,895	0.42
1986	17,044,217	0.56
1985	16,852,874	0.50

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 111,017,000	$ 6.22
1988	97,464,000	5.50
1987	87,045,000	5.00
1986	75,596,000	4.44
1985	62,641,000	3.72

Income Account *

Year ended June 30	1989	1988
Net sales	$ 165,459	$ 112,851
Cost of sales	91,173	67,269
Expenses	56,223	33,351
Interest income	(912)	(1,959)
Interest expense	1,009	314
Income before taxes	$ 17,966	$ 13,876
Income taxes	6,288	5,049
Net Income	$ 11,678	$ 8,827

* Included in Costs and Expenses, Depreciation and Amortization: $6,418,000 in 1989 and $3,912,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 18,153	$ 9,917
Marketable securities	8,755	14,491
Accts. receiv., net	54,183	40,819
*Inventories	42,480	36,717
Other curr. assets	2,850	1,879
Current Assets	$ 126,421	$ 103,823
#Fixed assets	20,024	14,590
Market. securities	3,000	4,048
Other assets	11,309	12,164
Total Assets	$ 160,754	$ 134,625

Liabilities
(000's)

	1989	1988
Notes payable	$ 6,740	$ —
Accts. payable	9,126	13,268
Accrued compens.	9,212	6,967
Accrued warranty	5,202	2,561
Income taxes	4,340	2,494
Deferred inc. taxes	—	1,726
Other curr. liab.	7,649	4,461
Curr. Liabilities	$ 42,269	$ 31,477
Deferred inc. taxes	7,468	5,684
+Common stock	18	18
Add. paid-in capital	52,696	50,253
Retained earnings	58,141	46,463
Cum. trans. adj.	527	1,191
Notes receiv.-shareholders	(365)	(461)
Total Liabilities & Shareholders' Equity	$ 160,754	$ 134,625

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	10.86	12.30
%Net Income to Sales	7.06	7.82
%Net Income to Equity	10.52	9.06
Sales to Inventories	3.89	3.07
Debt to Equity	0.06	—
Working Capital	$ 84,152,000	$ 72,346,000
Current Ratio	2.99	3.30
Shareholders' Equity	$ 111,017,000	$ 97,464,000

KMS Industries, Inc.

700 KMS Place
P.O. Box 1778
Ann Arbor, Michigan 48106-1778
(313) 769-1100
FAX: (313) 769-1775

Officers: Patrick B. Long, chairman, president & chief exec. officer; Neil W. Hennessey, chief fin. officer-KMSI & sr. v.p.-KMSF; Terence C. Liddy, corp. secretary of KMSI & sr. v.p. -KMSF.

Directors: Patrick B. Long, chairman; Robert A. Carrane, Terence C. Liddy, Thomas P. Stafford, James C. Bard, Charles K. Ligon, Ned C. Lautenbach. .

Areas of Work: An advanced technology company with scientific and engineering capabilities in aerospace, advanced products, diagnostic instrumentation, and laser fusion energy research. Current products include fiber optic sensors used to detect shock waves and ballistic impact; x-ray measurement and recording systems and devices; and a video multiplexer which allows several computers to feed output to one printer.

Subsidiary:

KMS Fusion, Inc.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KMSI (NASDAQ).

Number of Employees:

1989	264	1987	216
1988	237	1986	229

Sales & Earnings

	Net Sales	Net Income
1989	$ 26,486,000	$ 1,012,000
1988	21,776,000	801,000
1987	19,736,000	108,000
1986	19,696,000	909,000
1985	17,672,000	1,005,000

	No. of Com. Shares +	Earn. per Share ‡
1989	2,471,000	$ 0.40
1988	2,478,000	0.32
1987	2,691,000	0.06
1986	1,968,000	0.46
1985	1,967,000	0.51

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	—	—	
1987	—	—	1-for-8

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 7,342,000	$ 2.97
1988	6,261,000	2.53
1987	5,591,000	2.08
1986	5,519,000	2.80
1985	4,597,000	2.34

‡ Adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1989	1988
Revenues	$ 26,486,000	$ 21,776,000
Cost of revenues	18,580,000	15,658,000
Expenses:		
Res. & develop.	1,396,000	903,000
Sell., gen., & adm.	5,777,000	4,710,000
Interest income	(297,000)	(299,000)
Interest expense	8,000	3,000
Income bef. taxes	$ 1,022,000	$ 801,000
Income taxes	10,000	—
Net Income	$ 1,012,000	$ 801,000

* Included in Costs and Expenses, Depreciation: $620,000 in 1989 and $408,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 741,000	$ 351,000
Temp. cash investments	2,473,000	3,991,000
Accts. receiv., net	4,765,000	4,002,000
*Inventories	1,744,000	564,000
Other curr. assets	159,000	210,000
Current Assets	$ 9,882,000	$ 9,118,000
#Fixed assets	2,198,000	1,041,000
Other assets	63,000	26,000
Total Assets	$ 12,143,000	$ 10,185,000

Liabilities

Guaranteed ESOP debt, curr.	$ 400,000	$ 400,000
Accts. payable	2,388,000	1,244,000
Accrued compensation	1,031,000	877,000
Other acccruals	313,000	303,000
Curr. Liabilities	$ 4,132,000	$ 2,824,000
Guaranteed ESOP debt	669,000	1,100,000
+ Common stock	199,000	198,000
Add. paid-in capital	29,218,000	29,161,000
Accumulated deficit	(20,833,000)	(21,548,000)
Treasury stock	(93,000)	—
Shares issued for debt	(1,149,000)	(1,550,000)
Total Liabilities & Shareholders' Equity	$ 12,143,000	$ 10,185,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.08 par value.

Statistical Summary

% Income bef. Taxes to Revenues	3.86	3.68
% Net Income to Revenues	3.82	3.68
% Net Income to Equity	13.78	12.79
Debt to Equity	0.15	0.24
Working Capital	$ 5,750,000	$ 6,294,000
Current Ratio	2.39	3.23
Shareholders' Equity	$ 7,342,000	$ 6,261,000

KMW Systems Corporation

100 Shepherd Mountain Plaza
6034 West Courtyard
Austin, Texas 78730
(512) 338-3000

Officers: Richard A. Wells, chairman, president & chief exec. officer; Harry D. Keirns, exec. v.p.; Thomas G. Allen, sr. v.p.; R. Gerald Martin, sr. v.p.; Ronald L. Dorst, sr. v.p.; Byron D. Couch, sr. v.p & chief financial officer.

Directors: Richard A. Wells, chairman; Harry D. Keirns, Dale M. Mosier, John R. Muse, R. Clarke Heidrick, Jr., Frank W. McBee, Jr..

Area of Work: Manufactures electronic systems and equipment for the transmission and processing of computer data, including graphics controllers, protocol converters, and channel interfaces.

Subsidiaries:

KMW Systems International, Ltd.
Falcon Way, Off Central Way
North Feltham Trading Estate
Middlesex, TW14 OXQ, England

Transfer Agent(s):

Texas American Bank/Dallas
P.O. Box 35207
Dallas, Texas 75235

Stock Exchange(s): American, Pacific

Ticker Symbol: KMW

Number of Employees:

1988	153	1985	130
1987	155	1984	72
1986	139		

Plant Footage:

1988	48,000 sq. ft.	1986	48,000
1987	48,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 18,192,000	$ 15,517,000
1987	15,517,000	827,000
1986	14,330,000	1,101,000
1985	9,867,000	811,000
1984	6,358,000	757,000

	No. of Com. Shares	Earn. per Share‡
1988	2,230,435	$ 0.08
1987	2,204,534	0.38
1986	2,169,260	0.51
1985	1,426,844	0.38
1984	1,400,587	0.38

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	
1986	—	—	3-for-2
1985	—	—	—
1984	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 8,424,000	$ 3.78
1987	8,137,000	3.69
1986	7,199,000	3.32
1985	5,861,000	2.74
1984	4,738,000	2.25

‡ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1988	1987
Net sales	$ 18,192,113	$ 15,516,775
Cost of sales	8,173,060	5,783,466
Expenses	9,812,085	8,687,368
Interest expense	19,870	89,737
Other expense (income)	(22,912)	18,098
Income before taxes	$ 210,010	$ 938,106
Income taxes	29,000	110,671
Net Income	$ 181,010	$ 827,435

* Included in Costs and Expenses, Depreciation and Amortization: $1,318,771 in 1988 and $691,733 in 1987.

Assets

As of June 30	1988	1987
Cash & cash equiv.	$ 481,530	$ 1,211,515
Accts. receiv., net	3,979,745	3,567,561
*Inventories	2,642,639	3,400,540
Prepaid expenses	182,799	574,852
Current Assets	$ 7,286,713	$ 8,754,468
#Fixed assets	2,070,898	2,074,564
Technology	976,542	1,395,470
Intangibles	381,503	376,205
Software develop. costs	299,463	309,463
Other assets	472,793	315,007
Total Assets	$ 11,487,912	$ 13,225,177

Liabilities

Notes payable	$ 450,000	$ 909,000
Long-term debt, curr.	—	773,198
Accts. payable	860,524	754,836
Accruals	575,136	302,095
Income taxes	428,870	787,633
Deferred inc. taxes	—	129,390
Curr. Liabilities	$ 2,314,530	$ 3,656,152
Long-term debt	—	943,269
Deferred inc. taxes	210,000	309,106
Accrued rent	539,136	179,712
+ Common stock	223,043	220,453
Add. paid-in capital	3,398,471	3,359,620
Retained earnings	4,542,039	4,361,029
For. curr. trans. adjust.	260,693	195,836
Total Liabilities & Shareholders' Equity	$ 11,487,912	$ 13,225,177

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $0.10 per value.

Statistical Summary

%Income bef. Taxes to Sales	1.15	6.05
%Net Income to Sales	0.99	5.33
%Net Income to Equity	2.15	10.17
Sales to Inventories	6	4.23
Debt to Equity	6.88	0.32
Working Capital	$ 4,972,183	$ 5,366,941
Current Ratio	3.15	2.47
Shareholders' Equity	$ 8,424,246	$ 8,136,938

Knogo Corporation

350 Wireless Boulevard
Hauppauge, New York 11788
(516) 232-2100
FAX: (516) 232-2124

Officers: Arthur J. Minasy, chairman & president; James R. Dellomo, v.p.-finance, secretary & treasurer; Michael Cooper, corp. v.p.-engineering & research; Michael Trentacosti, v.p.-operations; Joan E. Miller, controller; Peter Zhou, v.p.-research & development; Karen Hatgis, asst. secretary; Peter J. Mundy, corp. controller.

Directors: Arthur J. Minasy, James R. Dellomo, William A. Perlmuth, Neil A. Smith, Thomas A. Nicolette, Robert E. Vandermark, Frank M. Corso.

Areas of Work: Engaged in the design, manufacture, marketing and service of electronic article surveillance systems primarily used to detect and deter shoplifting. The Swept RF and Dual RF systems, using radio signals, are primarily used in retail clothing stores. The MM (micro-magnetic) system, which uses very low-frequency electromagnetic signals, protects hardgoods in a variety of retail establishments such as bookstores, supermarkets, drugstores, shoe stores and sporting goods stores and is used in museums, libraries and hospitals. The Company also provides retailers with modular close-circuit video systems to prevent internally caused shrinkage.

Manufacturing Subsidiaries:

Knogo S.A.
Zoning Industriel
Route de Wallonie
7410 Mons (Ghlin), Belgium
International headquarters.

Knogo Caribe, Inc.
Road No. 172, KM 9.5
Cidra 00639 Puerto Rico
(809) 739-7411

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: KNO

Number of Employees:

1990	750	1987	626
1989	698	1986	597
1988	651		

Plant Footage:

1990	213,000 sq. ft.	1987	199,000
1989	213,000	1986	145,500
1988	199,000		

Sales & Earnings

	Revenues *	Net Income
1989	$ 59,145,000	$ 3,356,000
1988	46,722,000	1,067,000
1987	46,280,000	7,158,000
1986	36,006,000	5,803,000
1985	30,738,000	4,410,000

	No. of Com. Shares	Earn. per Share #
1989	5,167,774	$ 0.65
1988	5,153,941	0.16
1987	6,708,579	1.05
1986	6,673,709	1.19
1985	4,725,933	0.92

* Includes lease rentals and other income.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 69,155,000	$ 13.38
1988	70,630,000	13.70
1987	94,389,000	14.07
1986	79,317,000	11.88
1985	30,094,000	6.37

Income Account

Year ended	2/28/89	2/29/88
Net sales & other income	$ 48,854,300	$ 38,091,800
Lease rental & other	10,290,500	8,630,500
Total income	$ 59,144,800	$ 46,722,300
Cost of sales	20,608,100	17,810,200
Expenses	28,624,300	24,964,200
Depreciation & amortization	4,820,300	3,664,400
Interest expense (income)	1,138,200	(370,600)
For. curr. trans.	(521,300)	(970,900)
Inc. bef. taxes	$ 4,475,200	$ 1,625,000
Income taxes	1,118,800	558,000
Net Income	$ 3,356,400	$ 1,067,000

Assets

As of	2/28/89	2/29/88
Cash & cash equiv.	$ 21,144,100	$ 7,144,100
Accts. receiv., net	25,175,300	21,414,100
*Security devices	29,563,300	29,783,400
Investments in sales-type leases	9,853,100	8,708,200
#Fixed assets	23,133,500	21,595,500
Intangibles	1,400,800	654,700
Defer. charges	177,500	338,400
Other assets	7,374,300	8,021,300
Total Assets	$ 117,821,900	$ 97,659,700

Liabilities

Notes payable	$ 36,514,100	$ 12,032,000
Accts. payable	3,681,300	4,512,400
Accruals	3,910,100	5,010,100
Income taxes	1,093,000	2,938,300
Deferred lease rentals	2,078,000	1,673,700
Deferred inc. taxes	1,390,000	863,300
+Common stock	51,700	51,500
Add. paid-in capital	34,340,600	34,238,500
Retained earnings	25,619,700	23,811,100
Unamort. deferred comp.	(552,600)	(742,700)
Foreign curr. trans. adj.	9,696,000	13,271,500
Total Liabilities & Shareholders' Equity	$ 117,821,900	$ 97,659,700

* At cost (FIFO) which is not in excess of replacement value.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	7.57	4.27
%Net Income to Revenues	5.67	2.80
%Net Income to Equity	4.85	1.51
Debt to Equity	0.53	0.17
Shareholders' Equity	$ 69,155,400	$ 70,629,900

Kollmorgen Corporation

10 Mill Pond Lane
Simsbury, Connecticut 06070
(203) 651-3757
FAX: (203) 658-6947

Officers: Robert L. Swiggett, chairman of the board; James E. Swiggett, president & chief executive officer; George P. Stephan, vice-chairman; Karl A. Egerer, sr. v.p.-patents & technology; Edwin M. Felske, v.p., chief financial officer & treasurer; John L. Youngblood, president & chief operating officer; Jack R. Walnes, v.p.; Robert J. Bollo, v.p., controller & chief accounting officer; James A. Eder, v.p., secretary & associate general counsel; Donald Borod, v.p. & gen. counsel; Joseph R. Hoyt, v.p..

Directors: Robert W. Bjork, Allan M. Doyle, Jr.*, Townsend Hornor, John D. Maxwell, Jr., A. J. Powers, Jr., John A. Diaz, Robert L. Swiggett*, George P. Stephan*, James E. Swiggett*, John L. Youngblood.

* Member of the Executive Committee

Areas of Work: Engaged in two business segments: motors and controls and electro-optical instruments.

Divisions and Subsidiaries:

Electro-Optical Division
347 King Street
Northampton, Massachusetts 01060
(413) 586-2330

Industrial Drives Division
201 Rock Road
Radford, Virginia 24141
(703) 639-2495

Inland Motor Division
501 First Street
Radford, Virginia 24141
(703) 639-3973

Kollmorgen Instruments Corporation
Simsbury, Connecticut 06070

Macbeth Division
P.O. Box 950
Newburgh, New York 12550
(914) 565-7660

PMI Motion Technologies Division
Commack, New York
(516) 864-1000

Photo Research Division
Chatsworth, California 91311
(818) 341-5151

Optronic Laboratories, Inc.
Orlando, Florida

Kollmorgen Overseas Development Corporation
Wilmington, Delaware

Artus S.A.
Angers, France

Kollmorgen (Ireland) Limited
Ennis, Ireland

Kollmorgen International Finance N.V.
Curacao, Netherlands Antilles

Kollmorgen Foreign Sales Corporation
St. Croix, Virgin Islands

Proto-Power Corporation
Groton, Connecticut

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: KOL

Number of Employees:

1989	3,400	1986	4,100
1988	3,900	1985	5,000
1987	3,900		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1989	$ 227,804,000	$ (31,813,000)
1988	247,569,000	14,080,000
1987	222,584,000	285,000
1986	205,029,000	(19,947,000)
1985	174,094,000	(6,366,000)

	No. of Com. Shares #	Earn. per Share †
1989	10,625,088	$ —
1988	10,620,305	1.34
1987	10,388,101	0.03
1986	10,164,836	—
1985	9,952,992	—

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.
† Based on the weighted average number of common stock and common stock equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Motors & controls	$ 129,834	$ 128,079
Electro-optical instruments	97,970	119,490
Total	$ 227,804	$ 247,569

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.32	—	—
1988	0.32	—	
1987	0.32	—	—
1986	0.32	—	—
1985	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 56,507,000	$ 5.26
1988	89,039,000	8.50
1987	77,519,000	7.46
1986	79,398,000	7.70
1985	99,635,000	9.90

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 227,804	$ 247,569
Cost of sales	154,352	165,205
Expenses:		
Selling	24,208	25,420
Gen. & adm.	31,064	33,509
Res. & develop.	10,416	10,406
Merger & restruc. costs	16,500	—
Interest expense	7,717	6,127
Other expense (income)	445	(863)
Inc. (loss) bef. taxes	$ (16,898)	$ 7,765
Income taxes	2,000	1,850
Inc. (loss)-cont. oper.	$ (18,898)	$ 5,915
Inc. (loss)-discont. oper.	(12,915)	8,165
Net Income (Loss)	$ (31,813)	$ 14,080

* Included in Costs and Expenses, Depreciation and Amortization: $8,505,000 in 1989 and $8,044,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 3,387	$ 4,218
Accts. receiv., net	48,543	50,156
Receiv. on contracts	25,289	23,827
*Inventories	42,190	35,584
Prepaid expenses	2,309	2,790
Current Assets	$ 121,718	$ 116,575
Net assets held for dispos.	25,583	31,814
# Fixed assets	39,132	40,231
Other assets & intangibles	14,199	13,712
Total Assets	$ 200,632	$ 202,332

Liabilities
(000's)

	1989	1988
Notes payable	$ 29,244	$ 6,839
Long-term debt, curr.	1,149	1,205
Accts. payable	27,890	22,089
Accruals	27,918	22,182
Income taxes	1,658	542
Curr. Liabilities	$ 87,859	$ 52,857
Long-term debt	55,586	57,768
Deferred inc. taxes	254	1,354
Deferred credits	426	1,314
+ Common stock	26,838	26,184
Add. paid-in capital	30,371	27,944
Retained earnings	430	35,639
For. curr. trans. adj.	(1,008)	(728)
Treasury stock	(124)	—
Total Liabilities & Shareholders' Equity	$ 200,632	$ 202,332

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	—	15.81
Sales to Inventories	5.40	6.96
Debt to Equity	1.52	0.74
Working Capital	$ 33,859,000	$ 63,718,000
Current Ratio	1.39	2.21
Shareholders' Equity	$ 56,507,000	$ 89,039,000

Koss Corporation

4129 N. Port Washington Avenue
Milwaukee, Wisconsin 53212-1029
(414) 964-5000
FAX: (414) 964-8615

Officers: John C. Koss, chairman of the board & chief executive officer; Michael J. Koss, president & chief operating officer; Robert W.A. Joynt, v.p. & pres.-Koss Ltd. (Canada); John C. Koss, Jr., v.p.-sales; Daniel Esposito, v.p.-corp. systems; Michael F. Moore, v.p., secretary & general counsel.

Directors: John C. Koss, chairman; Lawrence S. Mattson, Brooks S. Stevens, Jonathan Pellegrin, Michael J. Koss, John J. Stollenwerk, Thomas L. Doerr, Victor L. Hunter, Martin F. Stein.

Areas of Work: Designs, manufactures and markets stereo headphones, audio/video loudspeakers, and related accessories.

Subsidiary:

Koss Limited
4112-4114 South Service Road
Burlington, Ontario L7L 4X5 Canada

Transfer Agent(s):

First Wisconsin Trust Company
Box 2054
Milwaukee, Wisconsin 53201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KOSS (NASDAQ)

Number of Employees:

1989	200	1986	150
1988	200	1985	245
1987	200		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 26,504,820	$ 1,696,705
1988	27,473,783	2,712,556
1987	21,321,532	1,820,877
1986	13,854,860	6,273,260
1985	15,888,815	(8,642,315)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	3,860,623	$ 0.44
1988	4,333,498	0.63
1987	4,809,638	0.38
1986	4,227,001	1.48
1985	3,485,736	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $143,000 ($0.04 per share) in 1989, $379,000 ($0.09 per share) in 1988, $411,000 ($0.09 per share) in 1987 and $5,045,784 ($1.19 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 7,538,885	$ 1.95
1988	6,609,913	1.53
1987	4,760,165	0.99
1986	3,218,489	0.76
1985	(4,412,608)	—

(Deficiency)
‡ Based on the weighted number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 26,504,820	$ 27,473,783
Cost of sales	16,867,315	17,039,694
Expenses	6,667,980	6,531,087
Interest expense	363,613	248,255
Interest income	(17,793)	(17,069)
Gain on sale of invest.	—	(163,877)
Plant closing expenses	—	(164,863)
Income bef. taxes	$ 2,623,705	$ 4,000,556
Income taxes	1,070,000	1,667,000
Net Income	$ 1,553,705	$ 2,333,556
Extraord. gain	143,000	379,000
Net Income & extraord. gain	$ 1,696,705	$ 2,712,556

* Included in Costs and Expenses, Depreciation and Amortization: $478,132 in 1989 and $404,387 in 1987.

Assets

As of June 30	1989	1988
Cash	$ 254,335	$ 114,016
Accts. receiv., net	5,043,630	4,645,284
*Inventories	5,837,700	6,304,396
Prepaid expenses	118,785	138,454
Current Assets	$ 11,254,450	$ 11,202,150
#Fixed assets	2,057,265	1,678,668
Other assets	256,002	85,853
Total Assets	$ 13,567,717	$ 12,966,671

Liabilities

	1989	1988
Long-term debt, curr.	$ 155,055	$ 337,854
Accts. payable	1,223,328	1,352,344
Accruals	1,370,692	1,476,178
Income taxes	151,388	188,003
Curr. Liabilities	$ 2,900,463	$ 3,354,379
Long-term debt	2,562,369	2,381,379
Def. inc. taxes	566,000	621,000
+ Common stock	35,119	37,124
Add. paid-in capital	1,409,846	1,473,608
Cum. trans. adjust.	32,020	19,221
Ret. earnings	6,061,900	5,079,960
Total Liabilities & Shareholders' Equity	$ 13,567,717	$ 12,966,671

* At lower of cost or market. 76% at LIFO; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	9.90	14.56
%Net Income to Sales	5.86	8.49
%Net Income to Equity	20.61	35.30
Sales to Inventories	4.54	4.36
Debt to Equity	0.36	0.41
Working Capital	$ 8,353,987	$ 7,847,771
Current Ratio	3.88	3.34
Shareholders' Equity	$ 7,538,885	$ 6,609,913

KRUG International Corp.

(Formerly Technology Incorporated)

6 Gem Plaza, Suite 500
Dayton, Ohio 45402-1908
(513) 224-9066

Officers: Maurice F. Krug, chairman of the board & chief executive officer; Thomas W. Kemp, v.p.-finance & treasurer; Evelyn B. Walker, asst. treasurer.

Directors: Maurice F. Krug*, chairman; John W. Berry*, James J. Mulligan*, Marvin E. Bruce, Victor J. Cassano, Sr., William J. Hoben, Leo W. Ladehoff, Frederick C. Smith, Earl T. O'Loughlin.

* Member of the Executive Committee

Areas of Work: Operates primarily in three business segments: Aerospace, Leisure Marine, and Housewares.

Divisions and Subsidiaries

Krug Life Sciences Inc.
1290 Hercules Drive
Suite 120
Houston, Texas 77058
(713) 488-5970

Biomedical research and development in the life sciences, particularly physiology, vision and biochemistry; medical systems research.

Technology Systems Division
3821 Colonel Glenn Highway
Dayton, Ohio 45431-0036
(513) 426-2405

Interdisciplinary research and development in flight dynamics aeropropulsion, gas dynamics, solid rocket technology, bioastronautics, nuclear effects, avionics, bioengineering, optics, and instrumentation data acquisition, reduction and analysis, electronic systems design and fabrication. Design, manufacture and marketing of scientific instruments for biomedical research, mass flow measurement of gases, and environmental measurement and control. Manufacture of electric annunciators, alarm systems, sequential event recorders and special purpose control equipment for industrial and public utility power plants and other process controls.

Technology/Scientific Services, Inc.
P.O. Box 3065
Overlook Branch
Dayton, Ohio 45431
(513) 426-0252

Scientific, engineering and technical contract services in the fields of electronics, aerospace engineering and computer technology.

Krug Life Sciences Inc.
405 West Nakoma
San Antonio, Texas 78279-0644
(512) 349-3925

Provides research support in both government and company laboratories.

Alpha Net Division
Dayton, Ohio

Specializes in the design, installation, integration and management of local area networks for computers.

KRUG International (UK) Ltd.
32 Ives Street
London, United Kingdom
011441823-9111

South Western Marine Factors Limited
P.O. Box 4
43 Pottery Road, Parkstone, Poole
Dorset BH14 8RE, United Kingdom

Distributes marine outboard engines, stern drives and inboard engines, diesel engines, steering systems and controls, boat fittings, equipment and clothing.

Beldray Limited
P.O. Box 20
Mount Pleasant, Bilston
West Midlands WV14 7NF, United Kingdom
01144902353500

Consumer ironing tables and accessories, kitchen textile accessories, domestic aluminum ladders and work platforms and garden equipment.

Transfer Agent(s):

Bank One Indianapolis, N.A.
Bank One Center/Tower
111 Monument Circle
Indianapolis, Indiana 46277

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KRUG (NASDAQ)

Number of Employees:

1989	1,450
1988	1,751
1987	1,742
1986	1,607
1985	1,733

Plant Footage:

1988 . . . . 885,650 sq. ft.

Sales & Earnings

	Revenues †	Net Income
1989	$ 84,731,000	$ 1,057,000
1988	73,800,000	499,000
1987	53,374,000	(1,988,000)
1986*	35,154,000	1,972,000
1985	25,098,000	1,555,000

	No. of Com. Shares +	Earn. per Share #
1989	4,116,994	$ 0.25
1988	4,370,828	0.11
1987	4,348,651	—
1986*	4,003,211	0.49
1985	3,959,151	0.38

(Loss)
* 9 months.
† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Commercial/consumer:		
Leisure marine	$ 24,109,000	$ 20,201,000
Housewares	21,612,000	18,071,000
Aerospace	39,010,000	35,528,000
Total	$ 84,731,000	$ 73,800,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.50	—	—
1988	0.03	—	
1987	0.03	—	5-for-4
1986	0.024	—	—
1985	0.024	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 11,348,000	$ 2.76
1988	16,931,000	3.87
1987	13,576,000	3.12
1986	11,712,000	2.93
1985	8,903,000	2.25

+ Adjusted to reflect stock split.

Income Account

Year ended Mar. 31	1989	1987
Revenues	$ 84,731,000	$ 73,800,000
Cost of sales	72,686,000	61,960,000
Expenses	9,496,000	7,697,000
Depreciation & amortization	677,000	246,000
Interest expense	1,281,000	826,000
Other income	(2,751,000)	(1,348,000)
Income before taxes	$ 3,342,000	$ 4,419,000
Income taxes	388,000	1,699,000
Inc.-cont. oper.	$ 2,954,000	$ 2,720,000
Loss-discont. oper.	(1,897,000)	(2,221,000)
Net Income	$ 1,057,000	$ 499,000

Assets

As of Mar. 31	1989	1988
Cash	$ 335,000	$ 730,000
Accts. receiv., net	19,810,000	18,362,000
*Inventories	6,696,000	6,330,000
Prepaid expenses	557,000	612,000
Net assets-discont. oper.	14,784,000	22,610,000
Current Assets	$ 42,182,000	$ 48,644,000
Long-term receiv.	261,000	287,000
#Fixed assets	4,901,000	3,479,000
Net assets-discont. oper.	4,563,000	4,113,000
Total Assets	$ 51,907,000	$ 56,523,000

Liabilities

Bank borrowings	$ 19,210,000	$ 17,000,000
Long-term debt, curr.	1,057,000	1,004,000
Accts. payable	8,240,000	7,872,000
Accruals	4,012,000	3,617,000
Income taxes	746,000	1,988,000
Curr. Liabilities	$ 33,265,000	$ 31,481,000
Long-term debt	6,324,000	5,428,000
Subordinated long-term debt	450,000	500,000
Deferred inc. taxes	65,000	161,000
Deferred income	—	1,237,000
Exc. of net assets acq. over purch. price	455,000	785,000
+Common stock	2,058,000	2,185,000
Add. paid-in capital	537,000	2,446,000
Retained earnings	5,965,000	7,055,000
For. curr. trans.	2,788,000	5,245,000
Total Liabilities & Shareholders' Equity	$ 51,907,000	$ 56,523,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	9.31	4.95
Debt to Equity	2.38	1.41
Working Capital	$ 8,917,000	$ 17,163,000
Current Ratio	1.27	1.55
Shareholders' Equity	$ 11,348,000	$ 16,931,000

Kulicke and Soffa Industries, Inc.

2101 Blair Mill Road
Willow Grove, Pennsylvania 19090
(215) 784-6000
FAX: (215) 659-7588

Officers: C. Scott Kulicke, chairman & chief exec. officer; Donald VanLuvanee, president & chief operating officer; Asher Brockmann, v.p.; Max M. Bycer, v.p.; Graham G. Yeldon, v.p.; Morton Perchick, v.p.; Edwin J. Clarke, v.p.; Paul S.H. Lai, v.p.; Arthur J. Schneider, v.p.; Toshiki Yoshida, v.p.; Clifford G. Sprague, v.p..

Directors: C. Scott Kulicke, chairman of the board; Albert Soffa, Frederick W. Kulicke, Jr., Allison F. Page, MacDonell Roehm, Jr., Donald R. VanLuvanee, John A. O'-Steen, William Zadel.

Areas of Work: Produces semiconductor manufacturing and assembly equipment ranging from manual to computer-controlled and fully automatic, as well as wire and die bonders and micro-tools.

Subsidiaries:

Kulicke and Soffa (Israel) Ltd.
Advanced Technology Center
P.O. Box 875
Haifa 31008, Israel
(972) 4-510271

Kulicke and Soffa, A.G.
Baarerstrasse 8
Zug CH-6301, Switzerland
(41) 42-222626

Kulicke and Soffa (Asia) Ltd.
Fook Cheong Building, 9th Floor
63 Hoi Yuen Road
Kwun Tong, Hong Kong
(852)3-896323

Kulicke and Soffa, (U.K.) Ltd.
Denton Island
Newhaven, East Sussex,, England BN9 9BA
(44)273-513111

Kulicke and Soffa (Japan) Ltd.
No. 5 Koike Bldg., 3rd Floor
1-3-12 Kita-Shinagawa, Shinagawa-Ku
Tokyo 140, Japan
(03)450-7601

Transfer Agent(s):

Mellon Bank (East) N.A.
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLIC (NASDAQ)

Number of Employees:

1989	1,034	1986	1,138
1988	1,117	1985	1,294
1987	1,050		

Plant Footage:

1989	214,000 sq. ft.	1986	280,000
1988	286,000	1985	280,000
1987	286,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 96,475,000	$ 5,827,000
1988	83,502,000	4,357,000
1987	66,856,000	(5,366,000)
1986	64,771,000	(7,445,000)
1985	125,102,000	(489,000)

	No. of Com. Shares #	Earn. per Share #
1989	7,720,050	$ 0.75
1988	7,638,742	0.57
1987	7,571,185	—
1986	7,513,627	—
1985	7,450,871	—

(Loss)
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 46,792,000	$ 6.04
1988	40,571,000	5.28
1987	35,990,000	4.73
1986	40,473,000	5.37
1985	48,137,000	6.44

Income Account

Year ended Sept. 30	1989	1988
Net sales	$ 96,475,000	$ 83,502,000
Cost of sales	49,000,000	40,560,000
Expenses	38,015,000	32,870,000
Depreciation & amortization	3,054,000	3,277,000
Interest expense	3,075,000	3,126,000
Interest income	(1,534,000)	(711,000)
Other income	(889,000)	—
Income before taxes	$ 5,754,000	$ 4,380,000
Income taxes (credit)	(73,000)	23,000
Net Income	$ 5,827,000	$ 4,357,000

Assets

As of Sept. 30	1989	1988
Cash & temp. cash invest.	$ 11,727,000	$ 10,269,000
Restricted cash	1,480,000	656,000
Short-term investments	9,203,000	872,000
Accts. & notes receiv., net	20,678,000	22,148,000
*Inventories	30,892,000	32,878,000
Prepaid expenses & other assets	2,189,000	2,349,000
Prepaid inc. taxes	251,000	829,000
Current Assets	$ 76,420,000	$ 70,001,000
#Fixed assets	16,574,000	18,489,000
Def. debt issue costs & other assets	2,428,000	2,416,000
Total Assets	$ 95,422,000	$ 90,906,000

Liabilities

Long-term debt. curr.	$ 1,979,000	$ 2,233,000
Accts. payable	5,755,000	6,299,000
Accruals	4,675,000	4,182,000
Income taxes	516,000	1,205,000
Curr. Liabilities	$ 12,925,000	$ 13,919,000
Long-term debt	35,165,000	35,884,000
Deferred inc. taxes	80,000	116,000
Other liabilities	460,000	416,000
+Common stock	14,317,000	14,043,000
Retained earnings	34,932,000	29,105,000
Cum. trans. adjust.	(2,005,000)	(1,970,000)
Treasury stock	(452,000)	(607,000)
Total Liabilities & Shareholders' Equity	$ 95,422,000	$ 90,906,000

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	5.96	5.25
% Net Income to Sales	6.04	5.22
% Net Income to Equity	12.45	10.74
Sales to Inventories	3.12	2.54
Debt to Equity	0.79	0.94
Working Capital	$ 63,495,000	$ 56,082,000
Current Ratio	5.91	5.03
Shareholders' Equity	$ 46,792,000	$ 40,571,000

Kustom Electronics, Inc.

10975 El Monte
Overland Park, Kansas 66211-1413
(913) 339-6767
FAX: (913) 339-6568

(39% owned by Van Enterprises, Inc.)

Officers: L. Claude Simmonds, chairman of the board & chief exec. officer; William E. Ruppert, president & chief operating officer; Bruce Keeton, v.p.-human resources; Charles W. Bowen, v.p.-sales; Jim Crisp, v.p.-finance & corp. secretary; John Kusek, v.p.-R & D engineering; J. Ralph Hixson, v.p.-manufacturing operations.

Directors: L. Claude Simmonds, chairman; William E. Ruppert, John G. Simmonds, Bruce S. Simmonds, John J. Hurley, Thomas A. McKee.

Areas of Work: Designs, manufactures, and markets mobile data communication systems, communication consoles, and traffic safety radar for both domestic and international markets.

Divisions & Subsidiaries:

Communications Division
Traffic Safety Division

Kustom Electronics International, Ltd.

Digital Dispatch Systems, Inc. (80% owned)

Transfer Agent(s):

United Missouri Bank of Kansas City
10th and Grand
Kansas City, Missouri 64106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KUST (NASDAQ)

Number of Employees:

1989	167	1986	162
1988	159	1985	160
1987	160		

Plant Footage:

1989	N.A.	1987	54,082
1988	54,082 sq. ft.	1986	53,000

N.A.-Not Available

Sales & Earnings

	Net Sales ‡ †	Net Income +
1989	$ 12,930,168	$ 693,853
1988	12,211,402	685,215
1987	11,656,269	56,688
1986	10,120,666	590,409
1985	9,313,311	1,561,576

	No. of Com. Shares #	Earn. per Share +#
1989	1,902,278	$ 0.36
1988	1,911,500	0.36
1987	1,948,264	0.03
1986	1,930,480	0.31
1985	1,904,883	0.82

‡ Includes other revenues.
† Of continuing operations only.
+ Including extraordinary gains of $106,000 ($0.06 per share) in 1987, $45,080 ($0.02 per share) in 1986 and $703,000 ($0.37 per share) in 1985.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Revenue by Lines of Business

	1989	1988
Traffic safety	$ 7,256,055	$ 7,309,107
Communications	5,674,113	4,902,295
Total	$ 12,930,168	$ 12,211,402

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 6,621,447	$ 3.48
1988	5,927,594	3.10
1987	5,414,649	2.78
1986	5,366,983	2.78
1985	4,672,281	2.45

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 12,930,168	$ 12,211,402
Cost of sales	7,614,761	7,039,982
Expenses	4,435,631	4,237,786
Interest expense	5,148	763
Interest income	(129,115)	(135,497)
Other income	(63,545)	(53,777)
Income before taxes	$ 1,067,288	$ 1,122,145
Income taxes	371,145	382,000
Minority interest	2,290	—
Income - cont. oper.	$ 693,853	$ 740,145
Loss - discont. oper.	—	(54,930)
Net Income	$ 693,853	$ 685,215

* Included in Costs and Expenses, Depreciation and Amortization: $384,644 in 1989 and $344,475 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 104,622	$ 1,105,549
Accts. receiv., net	3,037,939	2,568,468
Lease purchase contracts receiv.	222,356	322,860
Costs in exc. of billings on uncomp. contracts	431,114	151,616
*Inventories	2,287,418	1,834,520
Prepaid expenses	180,046	143,176
Current Assets	$ 6,263,495	$ 6,126,189
#Fixed assets	1,334,011	1,150,249
Software rel. intangibles	725,215	—
Deposits & other assets	326,867	250,587
Total Assets	$ 8,649,588	$ 7,527,025

Liabilities

	1989	1988
Checks outstanding	$ 100,976	$ —
Revolv. line of credit	250,000	—
Accts. payable	645,146	466,182
Accruals	735,291	714,318
Excess billings on uncompleted contracts	27,431	44,152
Inc. taxes payable	21,639	374,779
Curr. Liabilities	$ 1,780,483	$ 1,599,431
Payable to seller	196,000	—
Deferred inc. taxes	20,781	—
Minority interest	30,877	—
+Common stock	194,892	194,892
Add. paid-in captial	3,346,694	3,346,694
Retained earnings	3,252,388	2,558,535
Treasury stock	(172,527)	(172,527)
Total Liabilities & Shareholders' Equity	$ 8,649,588	$ 7,527,025

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.25	—
%Net Income to Sales	5.37	—
%Net Income to Equity	10.48	11.56
Sales to Inventories	5.65	6.66
Debt to Equity	0.08	—
Working Capital	$ 4,483,012	$ 4,526,758
Current Ratio	3.52	3.83
Shareholders' Equity	$ 6,621,447	$ 5,927,594

Kyocera Corporation

5-22 Kitainoue-cho, Higashino
Yamashina-ku, Kyoto 607, Japan
(075) 592-3851

Board of Directors: Kazuo Inamori, chairman & representative director; Kinju Anjo, president & representative director; Kensuke Itoh, executive v.p. & representative director; Toshinori Inamori, Masaaki Hiwatashi, Shoichi Hamamoto, Yoshiteru Hamano, Yoshizo Yasuda, Katsumi Nishimura, senior managing directors; Masao Kadota, Koichi Nakamura, Kenjiro Kimura, Shunji Nosaka, Masao Hori, managing directors; Toshihiko Teshirogi, Taiichi Akiyama, Stuart Lubitz, Yoshinobu Kanda, Ryusho Nagai, Michihisa Yamamoto, Yasuo Nishiguchi, Kiyohide Shirai, Tetsu Ohira, Tsutomu Kinoshita, Naoyuki Morita, Minoru Fujiyoshi, Shizuo Koyama, Yuzo Yamamura, Kaichiro Odagawa, directors.

Areas of Work: The Company is primarily engaged in the manufacture and sale of products in three major segments: ceramic and related products for the electronics and other industries; electronic equipment consisting of communications, audio and business equipment; and optical and precision instruments consisting of cameras and camera lenses.

Major ceramic products included alumina substrates, substrates for volume control and resistors, multiform glass for color TVs, parts for machine tools, pump and valve components, sliders, automotive components, and connectors for optical fiber glass cable. Major semiconductor products include cerdips, chip carriers and mother boards, pin grid arrays, and metallized microwave packages. Major electronic components products include chip capacitors, ceramic filters, resonators, chip resistors, thermal printheads, amorphous silicon drums, and liquid crystal displays. Consumer-related products include jewelry (Crescent Vert), dental implant and orthopedic devices (Bioceram), solar water heaters, solar cells, cutting tools, and ceramic scissors. Major products in the area of electronic equipment include transceivers, navigation equipment, compact disc players, MSX, desk-top computers, and compact laser printers. Major products in the area of optical and precision instruments include single lens reflex cameras (Contax, Yashica, Kyocera), 35mm cameras, lenses for single lens reflex cameras, and 8mm video camcorders.

Subsidiaries and Affiliates (Japan):

Kyocera Electronic Equipment Co., Ltd.
Shibuya-ku, Tokyo
Electronic equipment.

Tomioka Optical Co., Ltd.
Japan
Manufactures optical and precision instruments.

Taito Corporation
(22.5% interest)
Japan
Game machines and operation of amusement arcades.

Daini-Denden Inc.
(25% interest)
Chiyoda-ku, Tokyo
Provides telecommunications services in Japan.

Japan New Media System Co., Ltd. (50%-owned)
Setagaya-ku, Tokyo
Electronic equipment.

Subsidiaries and Affiliates (non-Japanese):

Kyocera International, Inc.
8611 Balboa Avenue
San Diego, California 92123 U.S.A.
(619) 576-2600

Kyocera America, Inc.
San Diego, California, U.S.A.
Manufactures semiconductor parts.

Kyocera Electronics, Inc.
Somerset, New Jersey, U.S.A.
Electronic equipment.

Kyocera Northwest, Inc.
Vancouver, Washington, U.S.A.
Manufactures electronic components.

Kyocera Unison, Inc. (81.36%-owned)
Berkeley, California, U.S.A.
Electronic equipment.

Kyocera Feldmuhle, Inc. (52.5%-owned)
Mountain Home, North Carolina, U.S.A.
Manufactures industrial ceramics and cutting tools.

Yashica, Inc.
Somerset, New Jersey, U.S.A.
Optical and precision instruments.

Kinamed, Inc.
U.S.A.
Artificial ceramic bones.

Kyocera Canada, Inc.
Mississauga, Ontario, Canada
Optical and precision instruments.

Yashica do Brasil-Industria e Comercio Ltda.
Sao Paulo, Brazil
Optical and precision instruments.

Yashica do Brasil-Exportacao e Industria Ltda.
Sao Paulo, Brazil
Optical and precision instruments.

Feldmuhle Kyocera Europe
Elektronische Bauelemente GmbH
Esslingen-Zell, Federal Republic of Germany
Electronic components and semiconductor parts.

Yashica Kyocera GmbH
Hamburg, Federal Republic of Germany
Optical and precision instruments.

Kyocera Electronics Europe GmbH
Dusseldorf, Federal Republic of Germany
Electronic equipment.

Kyocera (Hong Kong) Ltd.
East Kowloon, Hong Kong
Electronic components and semiconductor parts.

Universal Optical Industries, Ltd.
Kowloon, Hong Kong
Manufactures optical and precision instruments.

Yashica Hong Kong Co., Ltd.
Hong Kong
Optical and precision instruments.

Yashica Handelsgesellschaft mbH
Austria
Optical and precision instruments.

Yashica A.G.
Switzerland
Optical and precision instruments.

Transfer Agent(s):

Osaka Shoken Daiko Co., Ltd.
4-6 Kitahama 2-chome
Chuoh-ku
Osaka 541, Japan

ADR Depositary:

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): Tokyo, Osaka, Kyoto, New York*

Ticker Symbol: KYO (New York)* * Trades as an American Depositary Receipt (ADR)

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	¥ 338,704,000	¥ 29,654,000
1988	300,409,000	22,677,000
1987	276,192,000	17,465,000
1986	279,103,000	18,385,000
1985	325,719,000	38,072,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	163,599,000	¥ 183.04
1988	163,599,000	140.56
1987	150,000,000	116.43
1986	150,000,000	122.57
1985	150,000,000	253.81

¥ - Yen
‡ Adjusted to reflect stock split.

Revenues By Line of Business
(millions)

	1989	1988
Ceramic & related prods.	¥ 234,605	¥ 211,465
Electronic equipment	65,554	52,075
Optical & precision instruments	38,545	36,869
Total	¥ 338,704	¥ 300,409

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	¥44.00	—	—
1988	44.00	—	
1987	44.00	—	—
1986	44.00	—	—
1985	44.00	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	¥ 364,320,000	¥2,226.91
1988	330,359,000	2,019.32
1987	299,886,000	1,999.24
1986	291,880,000	1,945.87
1985	286,516,000	1,910.11

‡ Adjusted to reflect stock split.

Income Account *
(millions)

Year ended Mar. 31	1989	1988
Net sales	¥ 338,704	¥ 300,409
Cost of sales	228,695	206,337
Expenses	55,732	52,509
Interest expense	1,624	1,339
Interest income	(10,853)	(11,094)
For. curr. trans. loss	2,142	2,441
Other expense (income)	127	(1,492)
Income before taxes	¥ 61,237	¥ 50,369
Income taxes	31,583	27,692
Net Income	¥ 29,654	¥ 22,677

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 16,436,000,000 in 1989 and ¥ 14,918,000,000 in 1988.

Assets
(millions)

As of Mar. 31	1989	1988
Cash & demand deposits	¥ 5,425	¥ 4,298
Time deposits	221,793	142,600
Short-term comm. notes	10,535	16,387
Short-term invest.	3,000	35,267
Marketable securities	4,426	4,351
Accts. receiv., net	82,192	82,018
*Inventories	49,499	47,293
Deferred inc. taxes	9,255	8,177
Current Assets	¥ 386,125	¥ 340,391
Investments & advances	38,304	21,785
#Fixed assets	75,409	69,623
Other assets	21,639	18,936
Total Assets	¥ 521,477	¥ 450,735

Liabilities
(millions)

	1989	1988
Long-term debt, curr.	¥ 1,886	¥ 1,085
Notes & accts. payable	39,928	37,492
Accrued payroll	9,054	7,877
Accrued inc. taxes	18,753	18,800
Other accruals	4,864	4,196
Other current liabilities	2,506	1,531
Curr. Liabilities	¥ 76,991	¥ 70,981
Long-term debt	73,668	43,227
Other liabilities	6,109	5,749
Minority interest	389	419
+Common stock	43,979	42,663
Add. paid-in capital	116,322	107,523
Legal reserve	4,471	3,794
Retained earnings for special allow.	2,878	2,274
Retained earnings	207,435	185,835
For. curr. trans. adjust.	(10,765)	(11,730)
Total Liabilities & Shareholders' Equity	¥ 521,477	¥ 450,735

* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.08	16.77
%Net Income to Sales	8.76	9.22
%Net Income to Equity	8.14	8.38
Sales to Inventories	6.84	6.35
Debt to Equity	0.21	0.13
Working Capital (000's)	¥ 309,134,000	¥ 269,410,000
Current Ratio	5.02	4.80
Shareholders' Equity (000's)	¥ 364,320,000	¥ 330,359,000

LaBarge, Inc.

707 North Second Street
P.O. Box 14499
St. Louis, Missouri 63178
(314) 231-5960
FAX: (314) 982-9437

Officers: Pierre L. LaBarge, Jr., chairman of the board & chief executive officer; Craig E. LaBarge, president & chief operating officer; William J. Maender, v.p.-finance & secretary; J.C. Kuhn, Jr., vice president; Edward A. O'Brien, vice president.

Directors: Pierre L. LaBarge, Jr., chairman; Gus G. Casten, Richard P. Conerly, Edward J. Nestor, Jr., David F. Banks, R. Hal Dean, Craig E. LaBarge, Richard T. Fox, James P. Shanahan, Jr., John F. Williamson, J.C. Kuhn, Jr..

Areas of Work: Engineers, manufactures, tests and sells sophisticated electronic systems and devices and complex interconnect assemblies under contract with customers. Markets for the Company's products include the defense and aerospace, computer and medical diagnostic equipment industries.

Transfer Agent(s):

Ameritrust Company, N.A.
P.O. Box 6777
Cleveland, Ohio 44101

Stock Exchange(s): American

Ticker Symbol: LB

Number of Employees:

1989	1,100	1986	N.A.
1988	1,078	1985	1,200
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income †
1989	$ 69,140,000	$ 2,707,000
1988	59,665,000	1,636,000
1987	55,759,000	6,769,000
1986	63,187,000	(24,816,000)
1985*	30,941,000	(2,795,000)

	No. of Com. Shares	Earn. per Share †#
1989	13,489,616	$ 0.08
1988	13,489,616	0.01
1987	13,489,616	0.59
1986	6,744,808	—
1985*	6,744,808	—

(Loss)
* 6 months.
+ Of continuing operations only.
† Including extraordinary gains of $946,000 ($0.07 per share) in 1989, $578,980 ($0.04 per share) in 1988 and $5,089,000 ($0.50 per share) in 1987.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (4,196,006) ‡	$ —
1988	(6,610,716) ‡	—
1987	(7,566,698) ‡	—
1986	(13,533,723)	—
1985	11,282,429	1.67

(Deficiency)
‡ After allowing for preferred stock at redemption values.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 69,139,596	$ 59,664,508
Cost of sales	57,100,763	50,713,697
Expenses	7,656,026	6,772,143
Interest expense	2,419,587	1,848,798
Other income	(366,079)	(360,819)
Inc. bef. taxes	$ 2,329,299	$ 690,689
Income taxes	853,800	275,400
Income - cont. oper.	$ 1,475,499	$ 415,289
Income - discont. oper.	285,649	641,713
Net Income	$ 1,761,148	$ 1,057,002
Extraord. gain	946,000	578,980
Net Income & extraord. gain	$ 2,707,148	$ 1,635,982

* Included in Costs and Expenses, Depreciation and Amortization: $1,089,562 in 1989 and $1,163,562 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 1,111,359	$ 49,100
Accts. receiv., net	9,339,472	9,159,266
*Inventories	20,440,111	22,268,698
Prepaid expenses	156,343	242,923
Current Assets	$ 31,047,285	$ 31,719,987
#Fixed assets	3,018,107	3,397,499
Assets of bus. divest.	480,936	1,846,568
Other assets	2,636,925	754,372
Total Assets	$ 37,183,253	$ 37,718,426

Liabilities

Notes payable	$ 800,000	$ 1,911,440
Long-term debt, curr.	1,786,455	304,460
Accts. payable	5,660,563	5,753,728
Employee compensation	1,329,872	983,992
Other taxes	182,644	172,150
Other accruals	236,617	530,938
Income taxes	55,000	27,000
Pref. dividends pay.	258,667	212,500
Liab. from discont. oper.	46,833	490,000
Curr. Liabilities	$ 10,356,651	$ 10,386,208
Long-term debt	16,246,708	16,942,934
+ Preferred stock:		
Series A	5,078,736	5,562,000
Series B	7,267,402	7,973,000
++ Common stock	138,559	138,559
Add. paid-in capital	8,228,228	7,920,750
Retained earnings (deficit)	(9,112,849)	(10,184,843)
Treasury stock	(1,020,182)	(1,020,182)
Total Liabilities & Shareholders' Equity	$ 37,183,253	$ 37,718,426

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; redeemable cumulative.
++ $0.01 par value.

Statistical Summary

% Net Income to Equity	16.65	10.17
Sales to Inventories	3.38	2.68
Debt to Equity	1.71	1.84
Working Capital	$ 20,690,634	$ 21,333,779
Current Ratio	3.00	3.05
Shareholders' Equity	$ 10,579,894	$ 10,389,284

Lee Data Corporation

7075 Flying Cloud Drive
Minneapolis, Minnesota 55344
(612) 828-0300
FAX: (612) 828-0723

Officers: John M. Lee, chairman & chief exec. officer; Robert D. Gordon, president, chief operating officer; Brian D. Kovalchuk, chief financial officer; Edwin G. McMullen, sr. v.p.-corp. development; Scott D. Whittenburg, exec. v.p.-operations; Robert B. Besinger, v.p.-personnel & administration; Jon G. Hanson, v.p.-information services; James W. Kilmer, v.p.-hardware development; Jack A. Mandrgoc, v.p.-Dalcom Division; James R. McCormack, v.p.-commercial sales; Don C. McIlwain, v.p.-manufacturing; Robert E. Pasquarella, v.p.-BOC sales; John R. Schroeder, v.p.-Datastream; Duane E. White, sr. v.p. commercial sales & marketing.

Directors: John M. Lee, chairman of the board; Duane S. Carlson, Nicholas J. Covatta, Jr., Robert W. Fischer, Elserino Piol, Clarence W. Spangle, Robert J. Carlson, Dale R. Olseth, Robert E. Gordon.

Areas of Work: Designs, manufactures, markets and services display terminal systems which enable users to communicate with a wide variety of mainframes and minicomputers for data processing and to perform personal computing and file transfer functions.

Divisions and Subsidiaries:

Leedata Canada Inc.

Lee Data Far East Ltd.

Datastream Communications, Inc.
Santa Clara, California
Produces cluster controllers for protocol conversion and micro-to-mainframe software.

Phaze Information Machines Corporation
Scottsdale, Arizona
Designs, manufactures and markets plug-compatible display terminals for use in IBM large-scale computer networks.

Dalcom Services, Inc.
A telecommunications company specializing in testing and verification of telephone wiring.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Minneapolis, Minnesota 55344

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LEDA (NASDAQ)

Number of Employees:

1989	950
1988	N.A.
1987	1,075
1986	1,133
1985	994

N.A. - Not Available.

Plant Footage:

1989 . . . . 248,000 sq.ft.

Sales & Earnings

	Revenues +	Net Income
1989	$ 91,587,000	$ (4,643,000)
1988	101,495,000	(5,133,000)
1987	114,525,000	5,581,000
1986	93,068,000	2,098,000
1985	91,050,000	455,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	12,324,174	$ —
1988	13,343,216	—
1987	14,461,000	0.39
1986	14,144,000	0.15
1985	14,111,000	0.03

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 78,300,000	$ 6.35
1988	83,288,000	6.24
1987	95,568,000	6.61
1986	89,495,000	6.33
1985	87,047,000	6.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	4/2/89	3/31/88
Sales	$ 72,375	$ 82,973
Rentals & serv.	19,212	18,522
Total revenues	$ 91,587	$ 101,495
Cost of revenues	62,180	68,341
Expenses	36,084	42,574
Interest expense	1,243	1,480
Interest income	(1,675)	(1,267)
Other losses (gains)	1,493	(619)
Loss bef. taxes	$ (7,738)	$ (9,014)
Tax credit	(3,095)	(3,881)
Net Loss	$ (4,643)	$ (5,133)

* Included in Costs and Expenses, Depreciation and Amortization: $6,835,000 in 1989 and $7,361,000 in 1988.

Assets
(000's)

As of	4/2/89	3/31/88
Cash	$ 8,938	$ 8,179
Marketable securities	9,267	8,071
Accts. receiv., net	20,968	25,940
*Inventories	22,661	19,442
Installment receivables	2,518	3,551
Refund. inc. taxes	549	—
Deferred inc. taxes	803	1,877
Other curr. assets	886	770
Current Assets	$ 66,590	$ 67,830
Investments in affil.	—	1,779
#Fixed assets	32,200	35,030
Installment receivables	1,852	3,278
Defer. charges	3,757	4,402
Total Assets	$ 104,399	$ 112,319

Liabilities
(000's)

Accts. payable	$ 5,884	$ 5,642
Accruals	5,292	5,346
Income taxes	—	979
Long-term debt, curr.	2,105	2,335
Curr. Liabilities	$ 13,281	$ 14,302
Long-term debt	10,709	11,177
Deferred inc. taxes	2,109	3,552
+Common stock	616	616
Add. paid-in capital	50,934	50,934
Retained earnings	26,750	31,738
Total Liabilities & Shareholders' Equity	$ 104,399	$ 112,319

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

Sales to Inventories	3.19	4.27
Debt to Equity	0.16	0.16
Working Capital	$ 53,309,000	$ 53,528,000
Current Ratio	5.01	4.74
Shareholders' Equity	$ 78,300,000	$ 83,288,000

Lexicon Corporation

2400 East Commercial Boulevard
Fort Lauderdale, Florida 33308
(305) 772-7221
FAX: (305) 772-6110

Officers: Michael Levy, president & chief exec. officer; J. Daniel Ring, president & chief operating officer-SCOPE, Inc.; Louis R. Napoliello, president, chief operating officer-Sports-Tech International, Inc.; Steven W. Lowe, v.p.-finance.

Directors: Michael Levy, Kiran Gandhi, Timothy J. Crowe, William C. McFarland, Raymond J. Kiernan, Kenneth M. Crosby.

Areas of Work: Development of electronic target identification and other information gathering systems and related research for the Department of Defense; sale of custom bar code scanners and installation of scanner and other integrated systems designed primarily for industrial applications; completion of printed circuit board assemblies under large commercial orders; assembly of computer-assisted picking systems; manufacture of video systems and equipment.

Subsidiary:

SCOPE Incorporated
1860 Michael Faraday Drive
Reston, Virginia 22090
(703) 471-5600

Sports-Tech International, Inc. (57.7% owned)
2419 East Commercial Blvd.
Fort Lauderdale, Florida 33308

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LEXI (NASDAQ)

Number of Employees:

1989	117	1987	248
1988	250		

Plant Footage:

1989	96,000 sq. ft.	1987	96,000
1988	96,000		

Sales & Earnings

	Revenues x	Net Income †
1989	$ 19,030,139	$ (3,172,099)
1988	19,709,166	(2,680,877)
1987	16,056,663	2,698,022
1986	12,174,312	(2,673,460)
1985	1,883,722	(256,056)

	No. of Com. Shares +	Earn. per Share † ‡
1989	7,642,154	$ —
1988	7,452,634	—
1987	7,908,323	0.37
1986	6,897,970	—
1985	5,411,540	—

(Loss)
x Of continuing operations only.
† Including extraordinary gains of $835,000 ($0.11 per share) in 1987 and $15,700 in 1985.
+ Adjusted to reflect reverse stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Revenue by Lines of Business

	1989	1988
Signal technology	$ 5,097,000	$ 5,384,000
Defense systems	7,015,000	6,793,000
Industrial systems	2,450,000	7,354,000
Sports technology	4,468,000	178,000
Total	$ 19,030,000	$ 19,709,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	1-for-2

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1989	$ 8,485,711	$ 1.11
1988	11,038,390	1.48
1987	14,376,725	1.82
1986	8,722,499	1.26
1985	6,322,613	1.17

† After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect reverse stock split.

Income Account

Year ended Aug. 31	1989	1988
Revenues:		
Net sales & contract rev.	$ 17,984,143	$ 17,490,221
Service revenue	1,045,996	2,218,945
Total income	$ 19,030,139	$ 19,709,166
Cost of revenues	15,840,384	16,398,241
Expenses	4,506,738	4,062,441
Depreciation & amortization	715,800	619,831
Interest expense	396,965	386,341
Interest income	(137,525)	(337,297)
Unreal. losses on market. securities	366,276	693,972
Real. losses on sales of market. securities	23,376	109,172
Loss (gain) on sale of assets	38,598	(2,054)
Other expense (income)	113,250	(59,013)
Loss before taxes	$ (2,833,723)	$ (2,162,468)
Income taxes	167,958	—
Minority interest	111,955	—
Loss-cont. oper.	$ (3,113,636)	$ (2,162,468)
Loss-discont. oper.	(58,463)	(518,409)
Net Loss	$ (3,172,099)	$ (2,680,877)

Assets

As of Aug. 31	1989	1988
Cash	$ 2,193,946	$ 1,800,452
Marketable secur.	663,255	545,152
Accts. receiv., net	5,339,380	5,039,376
*Inventories	932,509	1,515,204
Prepaid expenses	222,651	372,782
Assets of discont. oper.	1,452,416	292,612
Current Assets	$ 10,804,157	$ 9,565,578
#Fixed assets	892,604	1,138,887
Cost in exc. of assets acq.	4,087,961	4,200,557
Investments	728,177	2,560,000
Capitalized technology	513,943	545,679
Other assets	29,686	23,695
Total Assets	$ 17,056,528	$ 18,034,396

Liabilities

Notes payable	$ 2,378,482	$ 2,692,413
Long-term debt, curr.	155,018	83,358
Cap. lease oblig., curr.	—	10,476
Deferred royalty income	76,893	76,893
Def. gain on sale of prop.	100,756	100,756
Accts. payable	1,422,899	946,460
Accruals	1,659,783	1,659,783
Liab. of discont. oper.	319,552	217,802
Curr. Liabilities	$ 6,359,449	$ 5,787,941
Long-term debt	—	153,705
Deferred royalty income	31,917	108,517
Def. gain on sale of prop.	209,907	310,663
Deferred income	82,912	107,790
Minority interest	1,361,592	—
+Preferred stock	5,250	5,274
++Common stock	764,215	745,263
Add. paid-in capital	21,365,361	20,277,802
Retained earnings (deficit)	(11,906,819)	(8,687,462)
Unrealized loss on invest.	(401,928)	—
Notes receiv. from shareholders	(815,328)	(775,097)
Total Liabilities & Shareholders' Equity	$ 17,056,528	$ 18,034,396

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value; $0.90 cumulative convertible.
++ $0.10 par value.

Statistical Summary

Debt to Equity	0.28	0.25
Working Capital	$ 4,444,708	$ 3,777,637
Current Ratio	1.70	1.65
Shareholders' Equity	$ 9,010,751	$ 11,565,780

Litton Industries, Inc.

360 North Crescent Drive
Beverly Hills, California 90210-4867
(213) 859-5000
FAX: (213) 859-5940

Officers: Orion L. Hoch, chairman & chief executive officer; Roland O. Peterson, president & chief operating officer; Joseph T. Casey, vice chairman & chief financial officer; Alton J. Brann, sr. v.p.; Joseph F. Caligiuri, exec. v.p.; M. Howard Dingman, Jr., sr. v.p.; Robert H. Lentz, sr. v.p.; Gerald J. St. Pe, sr. v.p.; Gordon G. Palmer, sr. v.p.; Richard D. Fleck, sr. v.p.; Caroll A. Wiesner, v.p. & treasurer; Charles S. Bridge, v.p.; Walter P. Lukens, v.p.; Mathias J. Diederich, v.p.; Rudolph E. Lang, Jr., v.p.; Gerold E. Pokorny, v.p.; William Bournias, v.p.; Richard T. Hopman, v.p.; Dirk Koerber, v.p.; John M. Leonis, v.p.; Donald A. Lepore, v.p.; Thomas J. McGuigan, v.p.; George E. Boullianne, v.p.; Allen E. Powers, v.p.; Michael R. Brown, v.p.; Francis I. Crowley, Jr., v.p.; Norman L. Roberts, v.p.; Virginia S. Young, secretary.

Directors: Fred W. O'Green, Joseph T. Casey, Jayne B. Spain, Wallace W. Booth, Thomas B. Hayward, Orion L. Hoch, C. B. Thornton, Jr., James H. Zumberge, Paul Bancroft, III, Roland O. Peterson.

Areas of Work: Retail tag-making equipment and supplies; navigation and control systems, including aircraft inertial navigation systems, missile inertial guidance systems, marine navigation instruments and systems, and automated ship control systems; communications and electronic data systems, including command and control systems, shipboard electronic systems, tactical communications and systems, tactical air support equipment, airborne warning and control systems, electronic surveillance systems, radio navigation systems; marine engineering and production, including naval surface ships, and marine design and engineering; machine tool systems, including disc and surface grinding machines, automatic bar and chucking machines, boring, milling and drilling machines, drills, taps, dies and cutting tools, and specialty metal products; bulk material handling systems, and unit handling conveyor systems; electronic and electrical components, including computer components and subassemblies, microwave devices and laser materials, servo components and potentiometers and printed circuit boards; medical and electronic products, including electronic diagnostic and patient monitoring equipment, microwave cooking products; also engaged in resource exploration.

Divisions and Subsidiaries:

Advanced Circuit Design
114 Lost Creek Boulevard
Suite 131
Austin, Texas 78746-6318
(512) 327-1088

Advanced Circuitry
4811 West Kearney Street
Mail to: P.O. Box 2847 CS
Springfield, Missouri 65803-0847
(417) 862-0751
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also at:

Marketing Representation
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Bldg. 5, Suite 146
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(404) 955-0629

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Bohemia, New York 11716
(516) 589-5522

490 L'Enfant Plaza East, S.W.
Suite 8602, Washington D.C. 20024
(202) 554-2570

(Litton Worldwide Services, Inc.)
Guardian House
Room 1306
32 Oi Kwan Road
Causeway Bay, Hong Kong

9 Avenue Franklin Roosevelt
Paris 7008, France

5/6 Victory Business Center
Fleming Way/Worton Road
Isleworth, Middlesex
England TW7 6DB

Aero Service
3600 Briarpark Drive
P.O. Box 1939
Houston, Texas 77251-1939
(713) 784-5800

also at:

7229 South Alton Way
Englewood, Colorado 80112
(303) 779-4024
Photogrammetric and SLAR engineering, airborne and ground geophysical surveys, geophysical mapping, simulation sciences, resources exploration and evaluations, digital graphics, LANDSAT data processing.

Aero Service (Great Britain)
c/o Western Geophysical Company
P.O. Box 18, 455 London Rd.
Isleworth, Middlesex TW7 5AB, England
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Airtron
200 East Hanover Avenue
Morris Plains, New York 07950
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Microwave components, including waveguides and ferrite devices; optical and magnetic crystals; bubble memory substrates; jewelry and simulated diamonds, stripline and microstrip components.

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(206) 433-1571

100 Ford Road
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Newtown Road
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(617) 486-8911
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Amecom
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P.O. Box 7012
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(408) 365-4747
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1901 N. Moore Street #908
Arlington, Virginia 22209-1706
(703) 522-2050

Suite 225
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Dayton, Ohio 45432-3018
(513) 253-3194

1230 N. Carl Vinson Pkwy.
P.O. Box 700
Warner Robins, Georgia 31099
(912) 953-0015

25 Gladsdale Drive
Pinner, Middlesex HA5 2PP, Great Britain

Theaterplatz 3
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(713) 972-4000
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also:
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Calgary, Alberta, Canada T2P 3E6
(403) 290-5100

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44-1-5847913

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(215) 622-1000
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(319) 383-6000
Developer of instruments, such as pneumatic and electropneumatic altimeters, Mach air speed indicators and life support equipment, such as liquid oxygen systems (LOX); onboard oxygen generating systems (OBOGS); and nitrogen inerting units (NIU). Also, self-contained cleaning and recharging stations for high pressure containers used in cryogenic cleaning.

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Digital and analog signal conversion, communications interface equipment, aircraft navigation and engine instrumentation, engine performance computers, custom military display systems, radar indicators and distribution systems.

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(302) 335-5465

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29851 West Agoura Road
Agoura Hills, California 91301-0500
(818) 706-4411

Computer Products Group Office
256 Columbia Turnpike
Suite 210
Florham Park, New Jersey 07932-1212
(201) 966-0160

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P.O. Box 152053
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Singapore 1953
65-2821222

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Calgary, Alberta T2E 7R2, Canada
(403) 250-5600

Data Command Systems
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Agoura, California 91301
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Siteen Street Office
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Riyadh 11472, Saudi Arabia

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(303) 475-7220
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(303) 591-0071
Microelectronics center, hybrid circuit assembly.

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(504) 646-2141
Fiber optic engineering center.

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Arlington, Virginia 22202-3509
(703) 920-4100

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(601) 935-1122
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Marketing Representation:
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1140 Brussels, Belgium
32-2-216-8057

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Harvey, Louisiana 70059-0836
(504) 362-9879
Downhole geophysical surveys.

also:

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Production of night vision devices.

1035 Westminster
Williamsport, Pennsylvania 17701-3911
(717) 326-3561
Production of magnetrons.

2580 Junction Avenue
San Jose, California 95134-1988
(408) 943-9055

1755 Jefferson Davis Highway
#902
Arlington, Virginia 22202-3509
(703) 920-4100

Encoder
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(818) 341-6161
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Guidance & Control Systems
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Grants Pass, Oregon 97526
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Salt Lake City, Utah 84116
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Marketing representation:
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(714) 381-7402

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(202) 554-2570

333 West First Street
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Total manufacturing and support services for the implementation of automated manufacturing systems, advanced material handling systems, warehousing systems, machine tools and state-of-the-art controls.

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481 Gardner Street
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Precision cylindrical production grinding machines and systems.

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(Division of Litton U.K. Ltd.)
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72 Whitecraigs Road
Whitehill Industrial Estate
Glenrothes, Fife KY7 5PR, Scotland

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Apopka, Florida 32703-4397

Mail to:
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Orlando, Florida 32854-7300
(305) 295-4010

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also:

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(203) 289-3551

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Via Pontina km 27,800

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Inertial navigation systems and heading and attitude reference systems for aircraft; military computers, tactical command and control, artillery automation.

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Loerracherstrasse 18 Werke
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Inertial navigation and heading attitude reference systems, in gimbal and strap-down technology. Military general purpose computer. Mobile military data terminals.

also at:

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20024-2179
(202) 554-2570

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(404) 545-1845

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(513) 223-3285

1430 Oak Court
Dayton, Ohio 45430-1063
(513) 429-6450

(Litton Saudi Arabia Ltd. LSAL/CSD)
P.O. Box 52705
Riyadh 11573, Saudi Arabia
966 1-477-0477

Western Regional Data Center
5490 Canoga Avenue
P.O. Box 40[illegible]
Woodland Hills, California 91367-4040
(818) 715-5200

Eastern Regional Data Center
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Reston, Virginia 22090-5298
(703) 471-9200

Sales/Marketing

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San Diego, California 92108
(619) 295-6035

111 N. Sepulveda Blvd.
Manhattan Beach, California 92066
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(408) 365-4445

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(212) 972-7880

Litton Corporate Offices
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(213) 859-5000

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(212) 661-1111

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(European Office)
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41-1-312-3544

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81-3-211-6791

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(213) 859-5082

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(201) 709-0920

2250 E. Devon
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Des Plaines, Illinois 60018-4593
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201 East 42nd Street, 10th Floor
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Litton Italia S.p.A. (LITAL)
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1-00040 Pomezia (Rome), Italy

Mail to:
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1-00100 Rome, Italy
39-6-911-921

Inertial navigation systems and attitude/heading reference systems for airborne and shipborne applications; tactical command and control, artillery automation.

Litton Korea Ltd. (LITKOR)
Kuro Industrial Estates
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Seoul 152, Korea

Support services and manufacturing associated with sale of Litton designed advanced electronic systems in Korea.

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Memphis, Tennessee 38115-6701
(901) 366-3000

Microwave ovens and accessory products for commercial, institutional, vending and home use.

also at:

600 East 54th Street
Sioux Falls, South Dakota 57104
(605) 336-2222

Production of countertop microwave ovens.

Litton Microwave Cooking Products
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Etobicoke, Ontario M9W 5Y6, Canada
(416) 675-7051

Litton Microwave Cooking Products
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Litton Precision Gear
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Chicago, Illinois 60609
(312) 847-4211

Precision gears and aircraft parts, helicopter gears and transmissions.

Litton Precision Products International
Oberfoehringerstrasse 8
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49899896119805
FAX: 47

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(Germany)
Romerstrasse 14
D-5042 Erfstadt 2, West Germany
49-22355025/
FAX: 5026

Jahnstrasse 3
D-7990 Friedrichshafen 1, West Germany
49-754142272

Alte Volksparkstrasse 24
D-2000 Hamburg 54, West Germany
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Winchester Electronics Biberach
Otto-Hahn Strasse 8
D-7100 Heilbronn/Biberach, West Germany
49-7066-6811

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Newport, N.S.W. 2106
Sydney, Australia

(Great Britain)
6 First Avenue
Globe Park
GB Marlow, Buckinghamshire SL7 1YA, England

(Italy)
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Via Montauro 27
00040 Morena
Rome, Italy

Via Pellegrino Orlandi 17
40139 Bologna
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(Netherlands)
Van Utrechtweg 25
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(Spain)
Concles del Val 8
E-28036 Madrid, Spain

(Sweden)
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Box 30095
S-104 25 Stockholm, Sweden

(Switzerland)
Gubelstrasse 28
CH-8050 Zurich, Switzerland

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(713) 266-5700
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(613) 236-2358
Government business development office.

Litton-Westrex Company, Japan
Chiyoda Building
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Chiyoda-Ku
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Mail to:
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Litton World Trade Corporation
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Ch-8050 Zurich, Switzerland
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(703) 552-3014
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also at:

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(203) 274-9681

VEAM Elektro-Anchulusstechnik GmbH
P.O. Box 1304
Scharnhaeus Strasse 3
D-7024 Filderstadt 1/Stuttgart, West Germany
Electronic cylindrical connectors.

Western Geophysical
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(713) 789-9600

Mail to:
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Anchorage, Alaska 99518-1299
(907) 563-3511

Western Geophysical (Australia)
154 Abernethy Road
Belmont 6104, Western Australia
61-9-478-1033

Western Geophysical (Canada)
2612 37th Avenue, N.E.

Mail to:
P.O. Box 5250, Station A
Calgary, Alberta T2H 1X6, Canada
(403) 291-8100

Western Geophysical (Great Britain)
Wesgeco House
P.O. Box 18
455 London Road
Isleworth, Middlesex TW7 5AB, England

Western Geophysical (Singapore)
37 Jalan Remimpin #04-01 Union Bldg.

Mail to:
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Singapore 9157

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10 Queen's Road Central
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also at:

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(203) 274-8891

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Otto-Hahn-Strasse 8
D-7100 Biberach/Heilbronn, West Germany
Manufacture of connectors for electronic and data processing and telecommunication industries; back panel wirewrap; IDC connectors.

Litton Industrial Automation Group (continued)

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5663 E. Nine Mile Road
Warren, Michigan 48091-2593
(313) 497-6000
Supplies automated systems to the automotive industry.

also:
Lamb Systems-Canada
6161 Tecumseh Road
P.O. Box 157
Windsor, Ontario, Canada N9A 6K1
(519) 944-6600

F. Joseph Lamb
225 Eugene Street East
Windsor, Ontario, Canada N8X 2X8
(519) 972-2400

Lamb Technicon-U.K.
Leyton Avenue Mildenhall
Suffolk, England IT2 87B
44-638-717641

Material Handling
2200 Litton Lane
P.O. Box 179
Hebron, Kentucky 41048-0179
(606) 334-2600

Integrated Automation, Inc.
1301 Harbor Bay Parkway
P.O. Box 4004
Alameda, California 94501-6597
(415) 769-5400
Develops and provides document and information management, inspection and process control systems.

Automated Guided Vehicles
280 E. Riley Street
Zeeland, Michigan 49464-9786
(616) 772-6321
Driverless, automatically guided material handling vehicles.

Additional Subsidiaries:

LRS
1001 Loop 35 East
P.O. Box 710
Alvin, Texas 77512-0710
(713) 331-6451
Manufacture, sale and maintenance of electronic digital recording equipment for the geophysical industry. Land and marine seismic detectors and cables. Land and marine seismic energy sources. Special purpose vehicles for off-road use.

also:

3600 Briarpark
Houston, Texas 77042-5206
(713) 781-8871

Lucas Machine
12302 Kirby Avenue
Cleveland, Ohio 44108-1687
(216) 451-5588
Machining centers; boring, milling and drilling machines (horizontal); largely equipped with numerical controls.

Marine Engineering and Production Group Office
1000 W. River Road
P.O. Box 149
Pascagoula, Mississippi 39568-0148
(601) 935-1122

McCullough
10201 Westheimer Road
Houston, Texas 77042-4299
(713) 972-4000
Provider of cased hole wireline services to the oil and gas industry, including completion services, production logging, and pipe recovery services.

Navigation, Guidance and Control Systems Group Office
5500 Canoga Avenue
Woodland Hills, California 91367-6698
(818) 715-3024

New Britain Machine
P.O. Box 2200
South Street
New Britain, Connecticut 06050-2200
(203) 229-1641
Flexible manufacturing systems, multiple spindle automatic bar machines, multiple spindle automatic chucking machines, twin and single spindle vertical and horizontal numerically controlled chucking machines, vertical and horizontal precision contour boring and turning machines, and surface grinding and boring machines, and contract manufacturing.

Union Butterfield
445 Biltmore Avenue
Asheville, North Carolina 28801-4565
(704) 253-3220
Drills, reamers, combined drills and countersinks, end mills, dies, taps, and miscellaneous other tooling.

Kester Solder
515 East Touhy Avenue
Des Plaines, Illinois 60018-2675
(312) 297-1600

Transfer Agent(s):

Litton Industries, Inc.
Shareholder Services
P.O. Box 5555
Beverly Hills, California 90209-0555

Stock Exchange(s): New York, Pacific

Ticker Symbol: LIT

Number of Employees:

1989	50,700	1986	55,500
1988	55,000	1985	58,200
1987	54,200		

Plant Footage:

1989	N.A.	1987	14,972,000
1988	15,161,000 sq. ft.		

N.A.-Not Available

Sales and Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1989	$ 5,022,782	$ 178,272
1988	4,863,897	167,033
1987	4,419,689	138,112
1986	4,521,005	71,137
1985	4,590,649	299,471

	No. of Com. Shares ♯	Earn. per Share ♯
1989	25,177,550	$ 7.05
1988	26,272,899	6.33
1987	26,614,689	5.16
1986	27,905,173	2.52
1985	41,087,109	7.27

‡ Includes service revenues, of continuing operations only.
♯ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Industrial systems & services	$ 1,833,859	$ 1,624,793
Advanced electronic sys.	2,233,237	2,399,319
Marine engineering and production	1,048,766	909,825
Intergroup eliminations	(105,233)	(86,567)
Miscellaneous	12,153	16,527
Total	$ 5,022,782	$ 4,863,897

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	1.50	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1989	$ 1,259,444	$ 51.64
1988	1,167,157	45.82
1987	1,045,587	40.28
1986	1,011,687	37.09
1985	931,187	34.17

‡ After allowing for preferred stock at liquidation value.

Income Account
(000's)

Year ended July 31	1989	1988
Sales and service revenues	$ 5,022,782	$ 4,863,897
Cost of sales	3,908,460	3,799,614
Expenses	515,209	507,924
Depreciation	204,168	189,075
Interest expense	80,425	75,398
Income before taxes	$ 314,520	$ 291,886
Income taxes	127,095	116,335
Minority interest	(9,153)	(8,518)
Net Income	$ 178,272	$ 167,033

Assets
(000's)

As of July 31	1989	1988
Cash & market. secur.	$ 1,068,761	$ 1,140,317
Accts. receiv., net	1,060,222	830,339
*Inventories	805,275	725,781
Prepaid expenses & taxes	275,612	196,060
Current Assets	$ 3,209,870	$ 2,892,497
♯Fixed assets	1,269,386	1,235,832
Intangibles	451,787	462,576
Other assets	326,638	483,578
Total Assets	$ 5,257,681	$ 5,074,483

Liabilities
(000's)

	1989	1988
Notes payable & long-term debt, curr.	$ 149,384	$ 47,147
Accts. payable	739,282	639,335
Payroll expenses	277,843	270,901
Income taxes	170,461	153,815
Cust. deposits & contract liab.	437,327	596,696
Curr. Liabilities	$ 1,774,297	$ 1,707,894
Long-term liabilities	182,128	198,503
Deferred inc. taxes & other items	521,028	490,852
Subord. notes & deben.	1,311,305	1,311,305
Minority interest	201,266	190,559
+Preferred stock Series B	2,053	2,053
++Common stock	24,349	25,425
Add. paid-in stock	437,888	443,349
Retained earnings	808,537	709,442
Cum. curr. trans. adjust.	(5,170)	(4,899)
Total Liabilities & Shareholders' Equity	$ 5,257,681	$ 5,074,483

* Raw materials stated at lower of cost (FIFO) or market. Work in process and finished goods stated at average cost.
♯ Less accumulated depreciation.
+ $5 par value, $2 non-convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.26	6.00
%Net Income to Sales	3.55	3.43
%Net Income to Equity	14.06	14.21
Debt to Equity	0.26	0.21
Working Capital	$ 1,435,573,000	[illegible],603,000
Current Ratio	1.81	1.69
Shareholders' Equity	$ 1,267,657,000	$ 1,[illegible],370,000

Lockheed Corporation

4500 Park Granada Boulevard
Calabasas, California 91399
(818) 712-2000

Officers: Daniel M. Tellep, chairman of the board & chief executive officer; Robert A. Fuhrman, vice chairman & chief operating officer; Vincent N. Marafino, vice chairman & chief financial & administrative officer; John C. Brizendine, v.p.; R. W. Taylor, group president-Information Systems Group; Val P. Pelin., group president-Electronic Systems Group; John N. McMahon, group president-Missiles and Space Systems Group; Louis J. Barnard, v.p.-human resources; Walter B. LaBerge, v.p.-corporate development; Richard A. Reed, president-Electronics Co.; Kenneth W. Cannestra, group president-Aeronautical Systems; Richard K. Cook, v.p.-Washington area; Harry A. Englehart, v.p.-corporate communications; Alan C. Chase, v.p.-business development; D. H. Daniels, v.p.-operations; Jack Freeman, exec. v.p.-finance & administration, Missiles & Space Systems Group; E. L. Graham, exec. v.p.-Aeronautical Systems Group; Robert Northcutt, v.p. & controller; Robert C. Johnson, v.p.-contracts & pricing; Dean O. Allen, v.p.-information & administrative services; Robert P. Caren, v.p.-science & engineering; E. Douglas Sargent, president-Lockheed Space Operations Co.; Joseph G. Twomey, v.p. & general counsel; Raymond Capiaux, v.p. & gen. mgr.-Astronautics Division; Robert Young, president-Engineering & Management Services Co.; Anthony G. Van Schaick, v.p. & treasurer; Robert B. Young, Jr., president-Engineering & Sciences Company, Inc.; Donald C. Jones, president & gen. mgr.-Missile Systems Division; A. Gene Otsea, asst. treasurer; David B. Bowman, v.p., secretary & asst. general counsel; Minoru S. Araki, exec. v.p.-plans & programs, Missiles and Space Systems Group; Harold T. Bowling, president-Lockheed Aircraft Service Co.; H. Barden Allison, II, exec. v.p. & gen. mgr.-Aeronautical Systems Company, Georgia; John R. Kreick, president-Sanders Associates, Inc.; William P. Conlin, president-CalComp; Robert C. Gusman, asst. secretary; Donald C. Latham, president & gen. mgr.-C3I, Missiles & Space Company, Inc.; Glenn M. Laden, v.p. & gen. mgr.-Missiles & Space Company, Inc., Austin; Stanley I. Weiss, v.p. & gen. mgr.-research & development, Missiles & Space Company, Inc.; Vance D. Coffman, president & gen. mgr.-space systems, Missiles & Space Company, Inc.; Ben R. Rich, exec. v.p. & gen. mgr.-advanced development projects, Aeronautical Systems; Sherman N. Mullin, v.p. & gen. mgr.-advanced tactical fighter programs, Aeronautical Systems; Barton Krawetz, exec. v.p. & gen. mgr.-research & technology, Aeronautical Systems.

Directors: Roy A. Anderson*, Michael Berberian, Joseph P. Downer, Houston I. Flournoy, Robert A. Fuhrman, Vincent N. Marafino, Lawrence O. Kitchen*, Jack L. Bowers*, Joseph J. Pinola*, Jack K. Horton*, John E. Swearingen, James F. Gibbons, Warren Christopher*, David S. Potter, Daniel M. Tellep, James R. Ukropina.

* Member of the Executive Committee

Areas of Work: The company is engaged in the manufacture of military and commercial aircraft, space and missile programs, aircraft servicing, data recording and analysis systems; electronic marine equipment; aircraft training aids; electronic countermeasure systems; tactical and airborne radar, spacecraft and commercial recorders; gunfire controls; checkout and test equipment; fuel oil computer registers; computer memory systems and components, computer graphics equipment; computer services; deep submergence vehicles; information systems; management systems; environmental monitoring and clean-up.

Divisions and Subsidiaries:

Lockheed Aircraft Service Company
Ontario, California 91761
(714) 988-2411

Lockheed Aeronautical Systems Company
Burbank, California 91520

Lockheed-Georgia Company
Marietta, Georgia 30063
(404) 424-9411

Lockheed Electronics Company, Inc.
Plainfield, New Jersey 07061
(201) 757-1600

Lockheed Missiles & Space Company, Inc.
Sunnyvale, California 94088
(408) 742-4321

Lockheed Air Terminal, Inc.
Burbank, California 91510
(818) 847-6121

Lockheed Finance Corporation
Burbank, California 91502

Lockheed Corporation International
Calabasas, California 91399

Calcomp
Anaheim, California 92803

Datacom Systems Corporation
Teaneck, New Jersey 07666

CADAM, Inc.
Burbank, California 91504

Lockheed DataPlan, Inc.
Los Gatos, California 95030

Lockheed Engineering & Sciences Company, Inc.
Houston, Texas 77058

Lockheed Space Operations Company
Titusville, Florida 32780

Metier Inc.
Burbank, California 91505

Lockheed Aeromod Center, Inc.

Lockheed Support Systems, Inc.

Murdock Engineering Company

Avicom International, Inc.

Sanders Associates, Inc.
Daniel Webster Highway South
Nashua, New Hampshire 03061
(603) 885-4321

Engaged in the production of electronic countermeasure systems, air defense radars, graphic displays, microwave components, and printed circuitry.

Transfer Agent(s):

First Interstate Bank
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): New York, Pacific, Amsterdam, London, Geneva, Lausanne, Zurich, Basel

Ticker Symbol: LK

Number of Employees:

1988	86,800	1985	87,800
1987	99,300	1984	81,300
1986	96,900		

Plant Footage:

1988 39,831,000 sq. ft.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1988	$ 10,590,000	$ 624,000
1987	11,223,000	421,000
1986	10,080,000	408,000
1985	9,313,000	401,000
1984	7,821,000	344,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	60,200,000	$ 10.37
1987	65,700,000	6.41
1986	66,000,000	6.18
1985	65,700,000	6.10
1984	64,900,000	5.28

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1988	1987
Missiles & space syst.	$ 5,411,000	$ 5,233,000
Aeronautical syst.	3,728,000	4,586,000
Electronic syst.	831,000	862,000
Information syst.	620,000	542,000
Total	$ 10,590,000	$ 11,223,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 1.55	—	—
1987	1.30	—	
1986	0.95	—	—
1985	0.75	—	—
1984	0.45	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1988	$ 2,476,000	$ 41.75
1987	2,087,000	33.31
1986	1,866,000	28.44
1985	1,511,000	23.17
1984	1,152,000	17.81

Income Account *
(000's)

Year ended	12/25/88	12/27/87
Net sales	$ 10,590,000	$ 11,223,000
Cost of sales & exp.	9,908,000	10,422,000
Other expense (income)	9,000	(16,000)
Interest expense	93,000	105,000
Income before taxes	$ 580,000	$ 712,000
Income taxes	138,000	285,000
Inc. - cont. oper.	$ 442,000	$ 427,000
Inc. (loss) - discont. oper.	182,000	(6,000)
Net Income	$ 624,000	$ 421,000

* Included in Costs and Expenses, Depreciation and Amortization: $375,000,000 in 1988 and $350,000,000 in 1987.

Assets
(000's)

As of	12/25/88	12/27/87
Cash	$ 269,000	$ 40,000
Accts. receiv., net	1,816,000	1,868,000
*Inventories	1,067,000	1,069,000
Other curr. assets	140,000	187,000
Current Assets	$ 3,292,000	$ 3,164,000
#Fixed assets	1,858,000	1,828,000
Intangibles	890,000	915,000
Other assets	603,000	553,000
Total Assets	$ 6,643,000	$ 6,460,000

Liabilities
(000's)

Short-term bank borrowings	$ 181,000	$ 156,000
Long-term debt, curr.	209,000	314,000
Accts. payable	849,000	807,000
Customer advances	126,000	97,000
Deferred inc. taxes	1,268,000	1,148,000
Accrued payroll	331,000	342,000
Other liabilities	640,000	591,000
Curr. Liabilities	$ 3,604,000	$ 3,455,000
Long-term debt	563,000	918,000
+Common stock	66,000	66,000
Add. paid-in capital	484,000	473,000
Retained earnings	2,205,000	1,674,000
Treasury stock	(279,000)	(126,000)
Total Liabilities & Shareholders' Equity	$ 6,643,000	$ 6,460,000

* At lower of cost or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	25.20	20.17
Sales to Inventories	9.93	10.50
Debt to Equity	0.38	0.67
Shareholders' Equity	$ 2,476,000,000	$ 2,087,000,000

Logicon, Inc.

3701 Skypark Drive
Torrance, California 90505-4794
(213) 373-0220

Officers: John R. Woodhull, president & chief exec. officer; Donald L. Farr, v.p.; Frank T. Cummings, v.p.; Hugh E. Beatty, v.p.; R. Dean Hartwick, v.p.; Dan B. Wallace, v.p.; James E. Dalton, v.p.; Ralph L. Webster, v.p. & controller; E. Benjamin Mitchell, Jr., secretary & general counsel.

Directors: John R. Woodhull*, John K. Brigden, W. Edgar Jessup, Jr.*, Robert S. Dickerman, John R. Johnson, Roland R. Speers*, Robert G. Walden, Allen E. Puckett.

* Member of the Executive Committee

Areas of Work: Provides electronic systems, analysis of military operations, research in the physical sciences and related professional services to industry and government.

Divisions and Subsidiaries:

Operating Systems Division
Arlington, Virginia

R&D Associates
Los Angeles, California

Strategic and Information Systems Division
255 West Fifth Street
San Pedro, California 90731
(213) 831-0611

Tactical and Training Systems Division
Sorrento Valley Boulevard
San Diego, California 92121
(714) 455-1330

Logicon Technical Services, Inc.
San Pedro, California

Control Dynamics Company
Huntsville, Alabama
Automatic control and dynamics engineering for military and space applications.

Eagle Technology, Inc.
Winter Park, California

Fourth Generation Technology, Inc.
La Jolla, California

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: LGN

Number of Employees:

1990	3,043	1987	2,382
1989	2,553	1986	2,500
1988	2,529		

Plant Footage:

1990	1,200,000 sq. ft.	1987	750,000
1989	1,037,000	1986	613,000
1988	837,000		

Sales & Earnings

	Revenues †	Net Income
1990	$ 258,462,000	$ 8,623,000
1989	232,406,000	9,648,000
1988	218,886,000	9,068,000
1987	204,773,000	6,071,000
1986	200,474,000	10,019,000

	No. of Com. Shares	Earn. per Share +
1990	4,341,000	$ 1.90
1989	4,534,000	2.13
1988	4,498,000	1.93
1987	4,758,000	1.27
1986	4,682,000	2.10

† Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.36	—	—
1989	0.34	—	
1988	0.31	—	—
1987	0.27	—	—
1986	0.23	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 68,707,000	$ 15.15
1988	60,479,000	13.45
1987	57,952,000	12.18
1986	52,486,000	11.21
1985	41,178,000	9.18

Income Account *

Year ended March 31	1990	1989
Services & systems	$ 256,990,000	$ 231,373,000
Interest	1,472,000	1,033,000
Total income	$ 258,462,000	$ 232,406,000
Cost of services & systems	209,274,000	182,033,000
Prov. for contract loss	4,000,000	2,800,000
Expenses	30,817,000	31,838,000
Income before taxes	$ 14,371,000	$ 15,735,000
Income taxes	5,748,000	6,087,000
Net Income	$ 8,623,000	$ 9,648,000

* Included in Costs and Expenses, Depreciation and Amoritization: $4,596,000 in 1989 and $3,589,000 in 1989.

Assets

As of March 31	1990	1989
Cash & cash equiv.	$ 3,350,000	$ 2,313,000
Short-term invest.	9,508,000	18,855,000
Acct. receiv., net	71,516,000	68,891,000
Prepaid expenses	1,404,000	1,876,000
Current Assets	$ 85,778,000	$ 91,935,000
#Fixed assets	7,933,000	7,654,000
Exc. of cost over assets acq.	7,790,000	—
Escrow acct. secur. conting. purch. price	1,250,000	—
Total Assets	$ 102,751,000	$ 99,589,000

Liabilities

Accts. payable & accruals	$ 9,257,000	$ 8,920,000
Accrued payroll	17,223,000	14,898,000
Income taxes	4,330,000	7,064,000
Curr. Liabilities	$ 30,810,000	$ 30,882,000
+Common stock	434,000	454,000
Add. paid-in capital	8,769,000	8,494,000
Retained earnings	63,964,000	60,618,000
Unearned compensation	(1,226,000)	(859,000)
Total Liabilities & Shareholders' Equity	$ 102,751,000	$ 99,589,000

# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.59	6.80
%Net Income to Sales	3.36	4.17
%Net Income to Equity	11.99	14.04
Working Capital	$ 54,968,000	$ 61,053,000
Current Ratio	2.78	2.98
Shareholders' Equity	$ 71,941,000	$ 68,707,000

LogiMetrics, Inc.

121-03 Dupont Street
Plainview, New York 11803
(516) 349-1700
FAX: (516) 349-8552

Officers: Murray H. Feigenbaum, president; Jerome Deutsch, exec. v.p.; George Rabin, v.p.-operations; Eugene Blum, v.p.-marketing.

Directors: Murray H. Feigenbaum, Alfred Mendelsohn, Jerome Deutsch, Ralph Wertheimer, George Rabin.

Areas of Work: Engaged in the development, manufacture and sale of traveling wave tube amplifiers, and complete electronic test systems. Repairs and supplies spare parts for radio frequency generators.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	68	1986	75
1988	N.A.	1985	N.A.
1987	85		

Plant Footage:

1989	23,000 sq. ft.	1986	26,000
1988	N.A.	1985	N.A.
1987	26,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income #
1989	$ 8,253,434	$ 214,340
1988	6,272,029	(1,406,583)
1987	9,240,827	225,891
1986	7,742,585	794,779
1985	7,339,642	(221,769)

	No. of Com. Shares +	Earn. per Share #‡
1989	2,630,690	$ 0.08
1988	2,630,690	—
1987	2,630,690	0.07
1986	2,616,940	0.33
1985	1,865,577	—

(Loss)
# Including extraordinary gains of $87,000 ($0.03 per share) in 1989 and $617,062 ($0.26 per share) in 1986.
+ Class A and Class B common shares combined adjusted to reflect stock split.
‡ Based on the weighted average number of Class A and Class B common shares combined adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,328,365	$ 0.50
1988	1,114,025	0.42
1987	2,505,608	0.95
1986	2,267,216	0.87
1985	1,465,188	0.79

‡ Based on Class A and Class B common shares combined adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 8,253,434	$ 6,272,029
Cost of sales	5,910,837	6,040,047
Expenses	1,814,208	1,963,240
Interest expense	314,049	274,749
Income (loss) bef. taxes	$ 214,340	$ (2,006,007)
Income taxes (taxes)	87,000	(599,424)
Net Income (Loss)	$ 127,340	$ (1,406,583)
Extraord. gain	87,000	—
Net Income (Loss) & extraord. gain	$ 214,340	$ (1,406,583)

* Included in Costs and Expenses, Depreciation and Amortization: $162,213 in 1989 and $163,371 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 232,781	$ 165,135
Accts. receiv., net	1,449,386	970,515
Costs in exc. of billings	1,802,337	1,172,275
*Inventories	1,866,208	1,693,328
Prepaid exp. & other assets	44,575	80,572
Current Assets	$ 5,395,287	$ 4,081,825
# Fixed assets	506,576	624,324
Other assets	52,937	59,694
Total Assets	$ 5,954,800	$ 4,765,843

Liabilities

Accts. payable & accruals	$ 1,819,087	$ 1,024,503
Long-term debt, curr.	2,567,348	167,315
Curr. Liabilities	$ 4,386,435	$ 1,191,818
Long-term debt	240,000	2,460,000
+ Common stock:		
Class A	238,069	238,069
Class B	25,000	25,000
Add. paid-in capital	2,092,847	2,092,847
Retained earnings (deficit)	(684,551)	(898,891)
Stock subscrip. receiv.	(343,000)	(343,000)
Total Liabilities & Shareholders' Equity	$ 5,954,800	$ 4,765,843

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.60	—
%Net Income to Sales	1.54	—
%Net Income to Equity	9.59	—
Sales to Inventories	4.42	3.70
Debt to Equity	2.11	2.36
Working Capital	$ 1,008,852	$ 2,890,007
Current Ratio	1.23	3.42
Shareholders' Equity	$ 1,328,365	$ 1,114,025

Loral Corporation

600 Third Avenue
New York, New York 10016
(212) 697-1105
FAX: (212) 661-8988

Officers: Bernard L. Schwartz, chairman of the board & chief executive officer; Frank C. Lanza, president & chief operating officer; Hugh Bennett, group v.p.; Michael P. DeBlasio, sr. v.p.-finance; Stephen L. Jackson, v.p.-administration; Robert V. LaPenta, sr. v.p. & controller; Michael B. Targoff, sr. v.p., general counsel & secretary; Robert Welte, v.p. & president-Loral Electronic Systems; William F. Gates, v.p. & pres.-Loral Randtron Systems; Lawrence H. Schwartz, v.p.-technology; Elizabeth Heller Allen, dir.-communications; Bertram Bell, asst. v.p.; Lisa Stein-McMeekin, asst. secretary; Harold Penn, asst. treasurer; Bernard Leibowitz, group v.p.-Microwave & pres.-Loral Microwave-Narda.

Directors: Bernard L. Schwartz*, chairman; Robert B. Hodes*, Gershon Kekst*, E. Donald Shapiro, Allen Shinn, Malvin Ruderman, Frank C. Lanza, Daniel Yankelovich, Thomas J. Stanton, Jr., Howard Gittis, Homer N. Chapin.

* Member of the Executive Committee

Area of Work: Designs, develops and manufactures electronics products including systems and components for airborne and shipboard self-protection, antisubmarine warfare, scene correlation guidance and target recognition including high-resolution imaging, C3 (command, control, communications) and telemetry reconnaissance, and simulation for military training.

Divisions and Subsidiaries:

Loral Advanced Projects
1761 Business Center Drive
Suite 300
Reston, Virginia 22090
(703) 759-1400

Loral Systems Manufacturing Company
435 Moreland Road
Hauppauge, New York 11788
Airborne radar warning receivers.

Loral Control Systems
Archbald, Pennsylvania 18403
(717) 876-1500
Instruments and controls for naval vessels, armament fuzing systems, and measurement systems.

Loral Defense Systems-Akron
1210 Massillon Road
Akron, Ohio 44315
(216) 796-2800
Manufactures undersea warfare systems; tactical ordnance systems; guidance & control systems; digital data processors; recovery and retardation systems; simulators and trainers.

Loral Data Systems
P.O. Box 3041
6000 Fruitville Road
Sarasota, Florida 34230
(813) 371-0811
Telemetry and signal processing systems, instrumentation tape recorders, and aviation flight data and voice recorders.

Loral Defense Systems-Arizona
1300 South Litchfield Road
Goodyear, Arizona 85338
(602) 925-7000
Manufacures synthetic aperture airborne reconnaissance systems; radar systems; guidance & control systems; simulators & trainers; geoscience mapping services; target recognition image processors; shelters; transparent plastic products.

Loral Fairchild Imaging Sensors
1801 McCarthy Blvd.
Milpitas, California 95035
(408) 433-2500
Visible and infrared focal plane arrays and sensors

Loral Electronic Systems
Ridge Hill
Yonkers, New York 10710
(914) 968-2500
Develops and manufactures airborne radar warning receivers, self-protection systems, electronic surveillance systems, targeting systems, electronic environment simulators.

Loral Fairchild Systems
300 Robbins Lane
Syosset, New York 11791
(516) 349-2200
Electro-optical reconnaissance and surveillance systems, target sensors, and flight-line test equipment.

Loral Conic
9020 Balboa Avenue
San Diego, California 92123
(714) 279-0411
Supplies telemetry equipment for military applications.

Loral Randtron Systems
130 Constitution Drive
Menlo Park, California 94025
(415) 326-9500
Advanced microwave antenna assemblies.

Loral International
999 Central Park Avenue
Yonkers, New York 10704
(914) 964-6520
Systems design and foreign marketing.

Loral Rolm Mil-Spec Computers
One River Oaks Place
San Jose, California 95134
(408) 432-8000
Militarized computers and software for defense electronic systems in shipboard, airborne, and ground-based applications.

Loral Electro-Optical Systems
P.O. Box 7101
300 North Halstead Street
Pasadena, California 91109
(818) 351-3555
Infrared countermeasures, laser-based simulation systems for military training, electro-optical devices, space power sub-systems.

Loral Instrumentation
8401 Aero Drive
San Diego, California 92123
(619) 560-5888
Data acquisition and analysis systems for real time applications.

Loral Information Display Systems
6765 Peachtree Industrial Boulevard
Atlanta, Georgia 30360
(404) 448-1604

Information and graphic display systems.

Loral Microwave - Narda
435 Moreland Road
Hauppauge, New York 11788
(516) 231-1700

Passive and active microwave components, integrated microwave assembles, test equipment.

Loral Microwave - Narda West
214 Devcon Drive
San Jose, California 95112
(408) 436-4400

Passive and active microwave components, GaAs FET semiconductors, integrated assembles.

Loral Microwave - Wavecom
9036 Winnetka Avenue
Northridge, California 91324
(818) 882-3010

High-reliability microwave filters, electro-mechanical switches, and components for satellite applications.

Loral Microwave - FSI
16 Maple Road
Chelmsford, Massachusetts 01824
(617) 256-4113

Passive and active microwave components, specialized semiconductors, integrated assembles.

Loral TerraCom
9020 Balboa Avenue
San Diego, California 92123
(619) 278-4100

Portable microwave and high-frequency tactical radios.

Loral American Beryllium
1600 Tallevast Road
P.O. Box 1087
Tallevast, Florida 34270
(813) 355-5105

Precision-machined exotic metals for aerospace and energy applications.

Loral Infrared & Imaging Systems
2 Forbes Road
Lexington, Massachusetts 02173
(617) 862-6222

Electro-optical detectors and systems for ground, airborne and space platforms.

Loral Hycor
Ten Gill Street
Woburn, Massachusetts 01801
(617) 935-5950

Radar and infrared expendable countermeasures systems for shipboard and aircraft defense.

Loral Solartron
580 Great Cambridge Road
Enfield, Middlesex, England
(01) 367-3146

Laser-based and CGI simulation systems for training.

Transfer Agent(s):

First Interstate Bank, Ltd.
One Exchange Place
55 Broadway
New York, New York 10006

Stock Exchange(s): New York

Ticker Symbol: LOR

Number of Employees:

1990	12,667	1987	14,500
1989	10,373	1986	7,500
1988	13,700		

Plant Footage:

1990	8,062,000 sq. ft.	1988	7,885,000
1989	6,227,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1990	$ 1,274,306,000	$ 78,235,000
1989	1,187,042,000	87,644,000
1988	1,135,692,000	74,342,000
1987	675,554,000	57,460,000
1986	663,818,000	52,993,000

	No. of Com. Shares	Earn. per Share x
1990	25,604,000	$ 3.11
1989	25,515,000	3.50
1988	25,320,000	3.01
1987	24,015,000	2.35
1986	23,691,000	2.21

+ Of continuing operations only.
x Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.80	—	—
1989	0.72	—	
1988	0.64	—	—
1987	0.60	—	—
1986	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 584,521,000	$ 22.83
1989	519,673,000	20.37
1988	440,106,000	17.38
1987	365,311,000	15.21
1986	311,283,000	13.14

Income Account *
(000's)

Year ended March 31	1990	1989
Net sales	$ 1,274,306	$ 1,187,042
Cost of sales & expenses	1,125,579	1,054,235
Interest income	(14,708)	(1,557)
Interest expense	40,374	39,475
Income before taxes	$ 123,061	$ 94,889
Income taxes	45,533	34,571
Inc.-cont. oper.	$ 77,528	$ 60,318
Inc-discont. oper.	707	27,326
Net Income	$ 78,235	$ 87,644

* Included in Costs and Expenses, Depreciation and Amortization: $78,688,000 in 1990 and $66,229,000 in 1989.

Assets
(000's)

As of March 31	1990	1989
Cash & cash equiv.	$ 105,029	$ 78,817
Marketable secur.	—	8,664
Accts. receiv.	359,668	246,632
*Inventories	270,030	226,689
Other curr. assets	14,092	8,851
Net assets held for sale	—	327,757
Current Assets	$ 748,819	$ 897,410
#Fixed assets	457,881	325,413
Intangibles	272,396	207,257
Other assets	56,097	29,150
Total Assets	$ 1,535,193	$ 1,459,230

Liabilities
(000's)

Long-term debt, curr.	$ 18,561	$ 140,441
Accts. payable	134,987	87,072
Customer advances	27,676	2,877
Accrued salaries & wages	43,321	38,816
Income taxes	62,901	80,423
Other curr. liab.	148,785	82,555
Curr. liabilities	$ 436,231	$ 432,184
Long-term liabilities	60,157	46,345
Long-term debt	419,058	423,158
Deferred inc. taxes	35,226	37,870
+Common stock	6,404	6,381
Add. paid-in capital	174,103	167,720
Retained earnings	428,125	369,839
Treasury stock	(164)	(214)
Unearned compensation	(23,592)	(24,053)
Cum. trans. adjust.	(355)	—
Total Liabilities & Shareholders' Equity	$ 1,535,193	$ 1,461,454

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	13.38	16.87
Sales to Inventories	4.72	5.24
Debt to Equity	0.75	1.08
Working Capital	$ 312,588,000	$ 465,226,000
Current Ratio	1.72	2.08
Shareholders' Equity	$ 584,521,000	$ 519,673,000

LSI Logic Corporation

1551 McCarthy Boulevard
Milpitas, California 95035
(408) 433-8000
FAX: (408) 434-6457

Officers: Wilfred J. Corrigan, chairman & chief exec. officer; George D. Wells, president & chief operating officer; Robert N. Blair, sr. v.p.-marketing and sales; Michael M. Cully, v.p. & controller; Perry C. Constantine, pres.-LSI Logic Corporation of Canada, Inc.; Norman W. Chanoski, v.p. military/aerospace; Keiske K. Yawata, pres.-LSI Logic K.K. (Japan); Brian T. Connors, v.p.-strategic marketing; William J. O'Meara, pres.-G2 Incorporated; Gerald B. Thomas, pres.-LSI Logic Europe plc; Murray L. McLachlan, v.p. & chief development officer; D. Scott Mercer, v.p. & chief financial officer; Conrad J. Dell'Oca, v.p.-research & development; Lewis C. Wallbridge, v.p.-industrial relations & corp. services; Cyril F. Hannon, v.p.-components & technology; James S. Koford, v.p.-software & computer services; Ven L. Lee, v.p.-engineering services; Joseph M. Zelayeta, v.p.-wafer manufacturing operations; Bruce L. Entin, v.p.-investor relations & corp. communications; Brian L. Halla, v.p.-microprocessor products; Robert M. Skinner, v.p.-U.S. sales; Edwin R. Jones, v.p.-design automation; David R. LaRock, v.p.-area sales; Gordon L. Peterson, v.p.-components marketing; Horst G. Sandford, sr. v.p.-marketing & sales-LSI Logic Europe plc; Robert M. Walker, v.p.-technical marketing services; A. Travis White, sr. v.p.-operations-LSI Logic Europe plc; Daniel Wong, v.p.-ASIC design.

Directors: Wilfred J. Corrigan, chairman; George D. Wells, James H. Keyes, Thomas J. Perkins, Larry W. Sonsini.

Areas of Work: Engaged in the design, development, manufacture and marketing of application-specific integrated circuits for use in electronic data processing, the military, aerospace and telecommunications industries. The Company also designs and manufactures standard products, including microprocessors and digital signal processing circuits, as well as chip sets and graphic adaptor boards aimed primarily at the personal computer industry.

Major Subsidiaries:

LSI Logic Europe plc
Grenville Place
The Ring
Bracknell, Berkshire RG121BP, United Kingdom

LSI Logic K.K.
Kokusai-Shin Akasaka
6-1-20 Akasaka, Minato-ku
Tokyo, 107, Japan

LSI Logic Corporation of Canada, Inc.
Petro-Canada Centre, Suite 3410
150-6th Avenue SW
Calgary, Alberta T2P 3Y7, Canada

Nihon Semiconductor Inc.
10, Kitahara, Tsukuba-city
Ibaraki-ken, Japan

G2 Incorporated
100 Homeland Courtulevard
San Jose, California 95112
(408) 452-8322
Markets high volume, highly integrated logic and graphic chip sets for the personal computer marketplace.

Video Seven Inc.
Designs and manufactures high-performance video graphics adaptors utilizing application-specific integrated circuit technology.

Transfer Agent(s):

Bank of America NT & SA
555 California Street
San Francisco, California 94104

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LLSI (NASDAQ)

Number of Employees:

1989	3,706	1986	1,821
1988	3,229	1985	1,380
1987	2,322		

Plant Footage:

1989	N. A.	1987	1,061,472
1988	1,100,000 sq. ft.		

N. A.- Not Available

Sales & Earnings

	Revenues	Net Income †
1989	$ 546,870,000	$ (24,892,000)
1988	378,908,000	24,702,000
1987	262,131,000	11,340,000
1986	194,335,000	3,855,000
1985	140,012,000	10,114,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	41,305,000	$ —
1988	41,133,000	0.60
1987	40,674,000	0.28
1986	40,191,000	0.10
1985	39,372,000	0.26

(Loss)
† Including extraordinary gains of $859,000 ($0.02 per share) in 1988 and $594,000 ($0.01 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988	1987	1986
Component products	83 %	74 %	63 %	53 %
Design & technology services	17	26	37	47
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 297,349,000	$ 7.20
1988	331,604,000	8.06
1987	308,230,000	7.58
1986	250,989,000	6.24
1985	231,527,000	5.88

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 546,870	$ 378,908
Cost of revenues	424,544	235,671
Expenses	152,342	117,109
Interest expense	17,341	11,347
Interest income	(12,494)	(16,421)
Inc. (loss) bef. taxes	$ (34,863)	$ 31,202
Income taxes (credit)	(4,886)	12,982
Minority interest	(5,085)	(5,623)
Net Income (Loss)	$ (24,892)	$ 23,843
Extraord. gain	—	859
Net Income (Loss) & extraord. gain	$ (24,892)	$ 24,702

* Included in Costs and Expenses, Depreciation and Amortization: $93,703,000 in 1989 and $54,713,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 120,035	$ 187,975
Short-term invest.	32,867	15,643
Accts. receiv., net	105,839	101,640
*Inventories	114,918	112,225
Prepaid exp. & other curr. assets	18,193	7,245
Current Assets	$ 391,852	$ 424,728
#Fixed assets	349,348	334,510
Other assets	23,961	28,261
Total Assets	$ 765,161	$ 787,499

Liabilities
(000's)

Long-term debt, curr.	$ 51,456	$ 34,818
Accounts payable	48,917	61,414
Accrued payroll	11,827	11,061
Accrued restruc. costs	9,638	—
Other accruals	28,023	21,284
Income taxes	947	1,761
Curr. Liabilities	$ 150,808	$ 130,338
Long-term debt	204,443	191,857
Minority interest	94,735	111,970
Deferred inc. taxes	17,826	21,730
+ Common stock	411	405
Add. paid-in capital	219,793	214,792
Retained earnings	47,449	72,341
Cum. trans. adjust.	29,696	44,066
Total Liabilities & Shareholders' Equity	$ 765,161	$ 787,499

* At lower of cost (FIFO) or market. Work-in-process and finished goods are on a currently adjusted standard basis.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	8.23
%Net Income to Revenues	—	6.29
%Net Income to Equity	—	7.19
Debt to Equity	0.86	0.68
Working Capital	$ 241,044,000	$ 294,390,000
Current Ratio	2.60	3.26
Shareholders' Equity	$ 297,349,000	$ 331,604,000

The LTV Corporation

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)

P.O. Box 655003
Dallas, Texas 75265-5003
(214) 979-7711
FAX: (214) 979-7946

Officers: Raymond A. Hay, chairman of the board & chief exec. officer; Julian Scheer, sr. v.p.-corporate affairs; G. Emmett Smith, sr. v.p. & general counsel; David H. Hoag, exec. v.p.-Steel pres. and CEO-LTV Steel Co.; James F. Powers, sr. v.p. & chief financial officer; Roger A. Dunn, sr. v.p.-human resources; Robert N. Parker, group v.p. & president-LTV Missiles and Electronics Group; Gordon L. Williams, group v.p. & pres.-LTV Aircraft Products Group; Maxine C. Champion, v.p.-government relations; K. C. Caldabaugh, v.p. & treasurer; William P. Twomey, v.p. & controller; Hal C. Hedrick, Jr., secretary.

Directors: Raymold A. Hay*, chairman; David H. Hoag*, William H. Bricker*, Edward C. Joullian, III*, James M. Roche, Roy H. Holdt, John C. Evans, Donald A. Hicks, B. Charles Ames, George E. Solomon, Colin C. Blaydon, James F. Powers.

* Member of the Executive Committee

Areas of Work: A multi-industry operating company involved in steel, aerospace/defense and energy products. It is a primary supplier of steel products to the automotive, appliance and construction industries; missiles, aircraft components, tactical wheeled vehicles and electronics to the defense and commercial aerospace markets, and tubular products, oil field supplies, and drilling and production equipment to the petroleum industry.

Divisions and Subsidiaries:

LTV Energy Products Company
Product line includes a complete range of drilling equipment such as derricks, drawworks, mud pumps, swivels, blocks, rotary machines and other complementary equipment for landbased and offshore rigs, surface and subsurface production equipment and slurry pumping equipment. Also manufactures marine transfer systems used to load and unload large volumes of petroleum products to and from oil tankers.

LTV Aerospace & Defense Company
AM General Corporation

Aircraft Products Group
The group is primarily a subcontractor for military and commercial aircraft structures and components and advanced development programs. The group also provides programs to modernize, upgrade and support military aircraft previosuly produced by the Company.

Missiles and Electronics Group
The missiles and electronics group is engaged in the design, research and development, and/or production of missiles and rocket systems, space defense systems and other aerospace and defense products. It also makes precision guidance and position-tracking radar systems, tactical data links, aircraft stationkeeping systems, airborne platform-telemetry relay systems and flight inspection and tactical air navigation systems and produces and sells military wheeled vehicles (the "Hummer") and service parts for the vehicles it previously sold, principally to agencies of the United States and foreign governments.

LTV Steel Company, Inc.
Manufactures hot and cold rolled sheet for the automotive and consumer durable goods markets.

Transfer Agent(s):

Ameritrust Texas National Association
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): New York, Pacific

Ticker Symbol: QLTV

Number of Employees:

1989	38,000	1986	48,300
1988	38,800	1985	56,800
1987	48,200		

Sales & Earnings

	Net Sales (000's)	Net Income + (000's)
1989	$ 6,362,100	$ 264,900
1988	7,324,700	(3,153,600)
1987	7,581,800	502,600
1986	7,271,400	(3,268,300)
1985	8,198,800	(723,900)

	No. of Com. Shares	Earn. per Shares +‡
1989	108,630,352	$ 2.06
1988	104,729,398	—
1987	100,264,408	4.24
1986	94,727,919	—
1985	88,559,104	—

(Loss)
+ Including extraordinary gain of $47,600,000 in 1985.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Steel	$ 4,086,000	$ 4,874,000
Aircraft prods.	673,200	867,000
Missiles & electronics	1,367,000	1,333,000
Energy prods.	268,300	291,000
Interseg. sales	(32,400)	(40,000)
Total	$ 6,362,100	$ 7,325,000

Common Stock Equity
(000's)

	Total Equity +	Equity Per Share
1989	$ (4,929,700)	$ —
[illegible]	(5,193,700)	—
1987	(2,052,900)	—
1986	(2,587,200)	—
1985	640,600	4.02

(Deficiency)
+ After allowing for preferred stock at par values.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales & revenues	$ 6,362,100	$ 7,324,700
Cost of sales	5,582,800	6,299,300
Expenses	351,000	367,900
Depreciation & amortization	232,100	242,000
Special charges	30,000	1,346,200
Int. & debt discount exp.	6,500	7,500
Int. & other income	(165,400)	(102,800)
Chap. XI adm. exp.	38,400	30,000
Inc. (loss) bef. taxes	$ 286,700	$ (865,400)
Income taxes	21,800	25,200
Cum. effect of acct. change	—	2,263,000
Net Income (Loss)	$ 264,900	$ (3,153,600)

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,019,300	$ 1,008,600
Receivables,net	749,400	746,400
*Inventories	1,180,800	1,109,200
Other curr. assets	58,800	64,200
Current Assets	$ 3,008,300	$ 2,928,400
Investments & other assets	433,000	594,100
#Fixed assets	2,894,900	2,640,500
Total Assets	$ 6,336,200	$ 6,163,000

Liabilities
(000's)

	1989	1988
Long-term debt	$ 5,000	$ 3,300
Accts. payable	368,600	420,100
Accrued compensation	475,600	455,100
Other accruals	287,500	246,200
Income taxes	11,400	8,900
Curr. Liabilities	$ 1,148,100	$ 1,133,600
Long-term debt	16,800	18,500
Deferrals & other liab.	3,175,300	3,258,900
Liab. deferred pursuant to Chap. XI proc.	6,834,100	6,838,700
+Series A & Series C preferred stock-mandatory redemp.	81,700	96,700
++Series B pref. stock	6,000	6,000
+++Series D pref. stock	3,900	4,300
++++Common stock	54,300	52,300
Add. paid-in capital	1,651,700	1,648,700
Retained earnings (deficit)	(6,535,700)	(6,800,600)
Min. pension liab. adjust.	(20,400)	—
Exc. of redemp. value over par Series A & Series C pref.	(79,600)	(94,100)
Total Liabilities & Shareholders Equity	$ 6,336,200	$ 6,163,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value; $5 cumulative-Series A. $1 par value; $5.25 cumulative-Series C.
++ $1 par value; $3.06 cumulative.
+++ $1 par value; $1.25 cumulative.
++++ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.51	—
%Net Income to Sales	4.16	—
Sales to Inventories	5.39	6.60
Working Capital (000's)	$ 1,860,200	$ 1,794,800
Current Ratio	2.62	2.58
Shareholders' Equity (Deficiency) (000's)	$ (4,919,800)	$ (5,183,400)

Lucas Industries plc

Great King Street
Birmingham B19 2XF, England

Officers: A. K. Gill, chairman & chief executive; R. Brown, finance director; R. A. Dale, managing director-automotive; G. M. Norris, secretary.

Directors: Sam Edwards, John F. C. Hull, Antony Edwards, Jean-Maxime Leveque, C. G. Southgate, J. White, A. K. Gill, David Hankinson, R. Brown, R. A. Dale, Lord Armstrong, Desmond O'Connell.

Areas of Work: Manufactures electrical, electronic, hydraulic and mechanical equipment used on internal combustion, diesel and gas turbine engines, road and rail vehicles, ships, aircraft, defense and industrial applications.

Subsidiaries (United Kingdom):

Leslie Hartridge Ltd.
Lucas Aerospace Ltd.
Lucas Bradley Electronics Ltd.
Lucas Bryce Ltd.
Lucas CEL Instruments Ltd.
Lucas Dawe Ultrasonics Ltd.
Lucas Engineering & Systems Ltd.
Lucas Fluid Power Ltd.
Grau Girling Ltd.
Lucas Industrial Systems Ltd.
Lucas Kienzle Instruments Ltd. (60% owned)
Lucas NSF Ltd.
Lucas Semicomps Ltd.
Lucas Aerospace UK Ltd.
Lucas Stability Electronics Ltd.
Lucas Trading Ltd.
Rists Ltd.
Lucas Autocentres Ltd.
Lucas Service UK Ltd.
Lucas Duralith Ltd.
Lucas Industrial Components Ltd.
Lucas Industrial Measurement Ltd.
Lucas NSF Controls Ltd.
Schaevitz EM Ltd.
Lucas Yuasa Batteries Ltd. (50% owned)
Lucas Methode Connectors Ltd.

Subsidiaries (U.S.A.):

Lucas AUL Inc.
Lucas Duralith Corporation
Hartridge Equipment Corporation
Ledex Inc.
Lucas Fluid Power Inc.
Lucas Industries Inc.
Lucas Aerospace Inc.
Lucas Weinschel Inc.
Lucas Western Inc.
OB Transit Products Inc. (80% owned)
Grason-Stadler Inc.
Rucker Fluid Power Inc.
Schaevitz Engineering Inc.
Seals & Engineering Inc.

Stock Exchange(s): London

Number of Employees:

1989	56,000	1986	64,087
1988	59,047	1985	64,855
1987	62,572		

Sales & Earnings

	Net Sales #	Net Income †
1989	£2,187,300,000	£ 137,600,000
1988	1,972,100,000	91,500,000
1987	1,820,400,000	38,200,000
1986	1,715,600,000	20,300,000
1985	1,588,200,000	3,200,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	168,600,000	85.1p
1988	141,700,000	79.4
1987	126,700,000	65.3
1986	N.A.	55.1
1985	N.A.	40.3

N. A. - Not Available.
£ - pound sterling
Including share of related companies' results.
† Including extraordinary losses of £ 5,800,000 in 1989, £ 21,000,000 in 1988, £ 44,500,000 in 1987, £ 46,300,000 in 1986 and £ 37,800,000 in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988
Aerospace	£ 602,200,000	£ 531,400,000
Automotive	1,307,000,000	1,213,200,000
Industrial	278,100,000	227,500,000
Total	£2,187,300,000	£1,972,100,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	25.0p	—	—
1988	21.0	—	
1987	15.7	—	—
1986	12.8	—	—
1985	10.4	—	—

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1989	£ 805,500,000	477.8p
1988	660,900,000	466.4
1987	480,500,000	379.2
1986	501,500,000	—

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Jul. 31	1989	1988
Net sales	£ 2,086,700	£ 1,833,100
Cost of sales	799,500	686,700
Wages & salaries exp.	707,100	628,700
Depreciation	59,600	51,200
Other oper. expenses	338,000	294,900
Share of losses (profits) of rel cos.	(5,000)	2,700
Interest expense	32,500	30,000
Interest income	(24,100)	(7,100)
Other income	(23,000)	(14,400)
Reorganization costs	15,000	14,100
Income before taxes	£ 187,100	£ 146,300
Income taxes	40,700	30,000
Minority interests	3,000	3,800
Net Income	£ 143,400	£ 112,500
Extraord. loss	(5,800)	(21,000)
Net Income & extraord. loss	£ 137,600	£ 91,500

Assets
(000's)

As of July 31	1989	1988
Cash	£ 204,200	£ 178,300
Accts. receiv., net	402,500	319,600
Accts. receiv.-rel. cos.	1,900	4,200
Other receivables	41,100	31,400
Corporate tax. recov.	9,900	10,900
Receivables - more than one yr.	14,100	10,600
*Inventories	414,000	355,900
Prepaid expenses	28,100	26,300
Current Assets	£ 1,115,800	£ 937,200
Investments	30,000	27,000
#Fixed assets	647,000	472,100
Total Assets	£ 1,792,800	£ 1,436,300

Liabilities
(000's)

	1989	1988
Bank loans & overdrafts	£ 77,700	£ 64,100
Accts. payable	239,100	200,500
Fin. lease. oblig.	8,900	10,400
Bills of exch.	31,900	20,300
Accrued payroll	53,300	45,700
Accruals & def. inc.	161,200	110,400
Income taxes	27,900	23,500
Proposed dividend	30,700	25,200
Curr. Liabilities	£ 630,700	£ 500,100
Long-term debt	234,100	152,700
Other liabilities	95,400	96,200
Other payables	200	200
Deferred income	12,000	9,500
+First preference stock	200	200
+Common stock	170,100	168,200
Add. paid-in capital	272,200	272,800
Revaluation reserves	161,600	48,200
Retained earnings	188,500	158,900
Related companies' reserves	13,100	12,800
Minority interests	14,700	16,500
Total Liabilities & Shareholders' Equity	£ 1,792,800	£ 1,436,300

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.97	7.98
%Net Income to Sales	6.87	6.14
%Net Income to Equity	17.80	17.02
Sales to Inventories	5.04	5.15
Debt to Equity	0.51	0.33
Working Capital	$ 485,100,000	£ 437,100,000
Current Ratio	1.77	1.87
Shareholders' Equity	£ 805,700,000	£ 661,100,000

Lumonics Inc.

105 Schneider Road
Kanata, Ontario K2K 1Y3, Canada
(613) 592-1460
FAX: (613) 592-7549

(The Company was acquired by Sumitomo Heavy Industries, Ltd. of Tokyo, Japan, May 15, 1989.)

Officers: Robert J. Atkinson, chairman; J. Hugh MacDiarmid, president & chief exec. officer; Douglas J. James, exec. v.p. & chief technology officer; Colin R. Avery, v.p.-finance & treasurer; C.J. Gardner, corp. secretary; P.A. Riddell, asst. corp. secretary.

Directors: Robert J. Atkinson, chairman; J. Hugh MacDiarmid, Colin R. Avery, Charles J. Gardner, Q.C.; Douglas J. James, N. Maeno, A. Naitoh, Y. Takahashi.

Areas of Work: Designs, manufactures and markets a variety of lasers and laser systems for marking, materials, processing, scientific and medical applications.

Divisions and Subsidiaries:

Lumonics Corporation
Marking Systems Division
3269 Vista Mercado
Camarillo, California 93010
(805) 987-2211

Lumonics Corporation
Laser Systems Group
6690 Shady Oak Road
Eden Prairie, Minnesota 55344
(612) 941-9530

12163 Globe Road
Livonia, Michigan 48150
(313) 591-0101

Lumonics Ltd.
Cosford Lane, Swift Valley
Rugby, Warwickshire CV21 1QN, England

Lumonics Deutschland GmbH
Bodenseestrasse 235
Post Fach 66 22 48
8000 Muenchen 66, West Germany

Number of Employees:

1989	N.A.	1986	540
1988	652	1985	614
1987	624		

N.A. – Not Available

Sales & Earnings *

	Net Sales	Net Income †
1988	$ 87,516,000	$ 857,000
1987	72,692,000	(1,697,000)
1986	65,234,000	(4,499,000)
1985	52,975,000	2,585,000
1984	38,430,000	5,673,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1988	10,021,000	$ 0.09
1987	9,979,000	—
1986	9,891,000	—
1985	8,811,000	0.29
1984	8,140,000	0.70

(Loss)
* Canadian dollars.
† Including extraordinary gain of $973,000 ($0.10 per share) in 1988 and extraordinary losses of $2,413,000 ($0.25 per share) in 1986 and $3,140,000 ($0.36 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1988	1987
Marking systems	$ 29,687,000	$ 22,914,000
Materials processing	41,251,000	35,053,000
Laser products	16,578,000	13,963,000
Other	—	762,000
Total	$ 87,516,000	$ 72,692,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 68,942,000	$ 6.88
1987	70,549,000	7.07
1986	71,070,000	7.19
1985	75,050,000	8.52
1984	44,780,000	5.50

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	$ 87,516	$ 72,692
Cost of sales	78,804	65,741
Research & develop.	7,535	7,841
Interest income	(1,342)	(1,016)
Interest expense	2,727	1,574
Loss bef. taxes	$ (208)	$ (1,448)
Income taxes (credit)	(92)	249
Net Loss	$ (116)	$ (1,697)
Extraord. gain	973	—
Net Loss & extraord. gain	$ 857	$ (1,697)

* Included in Costs and Expenses, Depreciation and Amortization: $2,584,000 in 1988 and $2,594,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & short-term invest.	$ 14,282	$ 14,251
Accts. receiv., net	28,807	26,278
Refundable taxes	967	626
*Inventories	26,635	25,585
Prepaid expenses	1,907	1,485
Current Assets	$ 72,598	$ 68,225

Investment	461	—
#Fixed assets	15,223	17,820
Def. develop. costs	710	725
Intangibles	22,230	22,894
Total Assets	$ 111,222	$ 109,664

Liabilities
(000's)

Bank indebtedness	$ 19,391	$ 15,986
Long-term debt, curr.	42	103
Accts.payable & accruals	16,287	14,960
Curr. Liabilities	$ 35,720	$ 31,049
Long-term debt	6,560	7,193
Deferred inc. taxes	—	873
+Common stock	57,919	57,896
Retained earnings	12,340	11,483
For. curr. trans. adj.	(1,317)	1,170
Total Liabilities & Shareholders' Equity	$ 111,222	$ 109,664

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Sales to Inventories	3.29	2.84
Debt to Equity	0.38	0.33
Working Capital	$ 36,878,000	$ 37,176,000
Current Ratio	2.03	2.20
Shareholders' Equity	$ 68,942,000	$ 70,549,000

M/A-COM, Inc.

5 Omni Way
Chelmsford, Massachusetts 01824
(617) 272-9600
FAX: (617) 272-8878

Officers: Thomas A. Vanderslice, chairman, chief exec. officer & acting sr. v.p.-bus. develop.; John J. Lynch, president & chief oper. officer; Hugh E. Bradshaw, sr. v.p., secretary & corp. counsel; Denis N. Maiorani, sr. v.p.-finance & admin., chief fin. officer & treasurer; Paul F. Brauneis, v.p.-finance; Kenneth L. Carr, group v.p.-subsystems; Gerald C. DiPiazza, v.p.-research & development; Robert H. Glaudel, v.p.-human resources; William F. Petry, v.p.-field sales; Stephen R. Zezima, v.p. & dir.-taxation; Richard W. Hale, group v.p.-electro/mechanical components; Francis P. Pantuso, group v.p.-surveillance products; Richard Soshea, group v.p.-semiconductor group; Mark R. Rosenzweig, group v.p.-signal processing components.

Directors: Thomas A. Vanderslice, chairman; Richard T. DiBona, Nelson S. Gifford, Richard W. Hale, Irving J. Helman, George N. Hutton, Jr., George Ingram, Sidney S. Kahn, Robert E. LaBlanc, John J. Lynch, James D. Meindl, E. James Morton, William F. Pounds, Paul E. Tsongas.

Areas of Work: The Company is a leading producer of radio frequency, microwave and millimeter wave semiconductors, components and subsystems for applications in telecommunications, radar, navigation, missile guidance, electronic warfare, surveillance and command-control-communications-intelligence (C3I) systems. The Company also supplies surveillance products used in intelligence collection applications. The Company's products are used primarily in defense electronics systems, but also have numerous commercial applications.

Divisions and Subsidiaries:

M/A-COM Semiconductor Division
M/A-COM Semiconductor Operation
M/A-COM Power Hybrid Operation
M/A-COM Advanced Semiconductor Operation

Silicon and gallium arsenide RF, microwave and millimeter wave diodes, transistors and monolithic integrated circuits.

M/A-COM Solid State Circuits Division
Microwave detectors, mixers, control circuits and modules.

M/A-COM Radar Products Division
Microwave and millimeter components: ferrite components, control assemblies and components, waveguide components and magnetron tubes.

M/A-COM General Products Division
M/A-COM Component Operation
M/A-COM Interconnect Operation
M/A-COM Puerto Rico, Inc.

Microwave connectors and adaptors, stripline and coaxial passive components, electromechanical switches.

M/A-COM, Ltd.
Microwave Associates, Ltd.
Omni Spectra, Ltd.

Microwave semiconductors, passive components, discrete devices and subsystems for the international market.

M/A-COM Active Assemblies Division
Amplifiers, oscillators and subsystems for defense applications operating in the 1 GHZ to 20 GHZ range.

M/A-COM Subsystems Division
M/A-COM Radar Subsystems Operation
M/A-COM Missile Subsystems Operation
M/A-COM EW Subsystems Operation

High power solid state amplifiers and complex, multifunction assemblies and subsystems for defense electronic warfare, missile guidance and radar systems.

M/A-COM Government Systems Division
Digital and secure equipment and software for defense communications networks.

M/A-COM MAC Division
Point-to-point analog transmission equipment for the broadcast and private communications market, microwave radios for very small aperture earth stations.

M/A-COM Corporate Technology Center
M/A-COM MDM Operation

Development of advanced microwave technology, subassemblies, antenna arrays.

M/A-COM Corporate Marketing
Worldwide marketing network.

M/A-COM Government Relations
Activities in research and development, public policy and defense technology issues.

Acquisition:

Adams-Russell, Inc.
Microwave devices, components, subsystems, surveillance instrumentation and signal processing systems.

Transfer Agent(s):

Bank of Boston
Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Boston, Pacific

Ticker Symbol: MAI

Number of Employees:

1989	7,562
1988	6,448
1987	6,756
1986	9,027
1985	11,790

Plant Footage:

1989	2,314,000 sq. ft.
1988	1,889,000
1987	2,040,000
1986	2,600,000
1985	3,071,000

Sales & Earnings

	Net Sales ‡	Net Income x
1989	$ 441,133,000	$ 178,000
1988	424,201,000	18,375,000
1987*	436,107,000	(35,360,000)
1986	447,722,000	8,800,000
1985	420,197,000	39,375,000

	No. of Com. Shares	Earn. per Share x+
1989	23,994,000	$ 0.01
1988	24,675,000	0.65
1987*	31,428,000	—
1986	42,696,000	0.20
1985	43,534,000	0.92

(Loss)
* 53 weeks
‡ Of continuing operations only.
x Including extraordinary loss of $4,100,000 ($0.09 per share) in 1986.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.24	—	—
1988	0.24	—	
1987	0.24	—	—
1986	0.24	—	—
1985	0.235	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 203,751,000	$ 8.49
1988	217,455,000	8.81
1987	268,702,000	8.55
1986	453,853,000	10.63
1985	465,045,000	10.68

Income Account *
(000's)

Year ended	9/30/89	10/1/88
Net sales	$ 441,133	$ 424,201
Cost of sales	312,357	281,088
Expenses	122,707	110,673
Interest income	(6,234)	(9,487)
Interest expense	11,889	11,302
Inc. bef. taxes	$ 414	$ 30,625
Income taxes	236	12,250
Net Income	$ 178	$ 18,375

* Included in Costs and Expenses, Depreciation and Amortization: $29,918,000 in 1989 and $27,896,000 in 1988.

Assets
(000's)

As of	9/30/89	10/1/88
Cash & cash equiv.	$ 27,422	$ 82,958
Market. securities	6,280	6,411
Accts. receiv., net	98,397	97,546
Unbilled rev. under cust. cont.	45,552	33,172
*Inventories	105,510	89,186
Other curr. assets	5,368	12,656
Current Assets	$ 288,529	$ 321,929
#Fixed assets	187,766	142,310
Other assets & notes receiv.	40,819	18,573
Total Assets	$ 517,114	$ 482,812

Liabilities
(000's)

Notes payable & long-term debt, curr.	$	56,055	$	6,793
Accts. payable		24,621		18,131
Accruals		52,472		64,793
Accrued payroll		30,125		25,800
Income taxes		10,064		6,668
Curr. Liabilities	$	173,337	$	122,185
Long-term debt		99,012		99,521
Deferred inc. taxes		4,300		3,200
Other long-term liabilities		36,714		40,451
+ Common stock		44,006		44,006
Add. paid-in capital		226,509		230,941
Retained earnings		186,095		191,646
Deferred comp.		(8,884)		(11,465)
Treasury stock		(243,975)		(237,673)
Total Liabilities & Shareholders' Equity	$	517,114	$	482,812

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales		0.09		7.22
% Net Income to Sales		0.04		4.33
% Net Income to Equity		0.09		8.45
Sales to Inventories		4.18		4.76
Debt to Equity		0.76		0.49
Working Capital	$	115,192,000	$	199,744,000
Current Ratio		1.66		2.63
Shareholders' Equity	$	203,751,000	$	217,455,000

Magna International, Inc.

36 Apple Creek Boulevard
Markham, Ontario L3R 4Y4, Canada
(416) 477-7766
FAX: (416) 475-0776

Officers: Frank Stronach, chairman of the board; Manfred Gingl, president & chief executive officer; James R. McAlpine, vice chairman & chief financial officer; Neil De Koker, sr. v.p.; Edwin L. Stringer, sr. v.p. & counsel-labor and employee relations; Stephen C. Akerfeldt, sr. v.p.-finance & treasurer; H. Jory Kesten, v.p., secretary & corp. counsel; Roderick M. McQueen, v.p.-communications; Patrick Lavelle, v.p.-corp. development; David A. Copeland, v.p.-corp. finance; Donald Parker, v.p.-business systems; Franz Reiterer, v.p.-employee relations; James Nicol, v.p.-special projects; Guenther Heidbuechel, v.p.-manufacturing; W. Fraser Wray, v.p.-new business ventures; J. Brian Colburn, v.p.; Edward E. Parent, v.p.; Frank Burke, asst. treasurer; Gary Love, asst. treasurer; Paul Robinson, controller; Michael McCarthy, asst. controller.

Directors: Manfred Gingl, James F. McCallum, Frank Stronach, William B. Boggs, George C. Hitchman, Donald Resnick, James R. McAlpine, Belinda Stronach.

Areas of Work: Manufacturer of metal products, decorative products, mechanical devices, electronic and sheet metal components, accessories and parts for the North American automotive industry. Also engaged in the design, engineering and assembly of motor vehicles.

Divisions and Subsidiaries:

Atoma International Inc.
521 Newpark Boulevard
Newmarket, Ontario L3Y 4X7, Canada
(416) 737-0796

Products a large variety of electro-mechanical devices, electronic components, instrument clusters and intricate mechanical assemblies for the automotive industry.

Decoma International Inc.
30 Confederation Parkway
Concord, Ontario L4K 3P7, Canada
(416) 738-5264

Develops and produces a variety of metal trim and plastic components including bumper covers, fascias, body panels and decorative trim products.

Cosma International Inc.
7655 Bramalea Road
Brampton, Ontario L4T 4Y5, Canada
(416) 458-0930

Manufacturer of exterior body sheet metal components and brake component systems.

Tesma International Inc.
370 North Rivermede Road
Maple, Ontario L4K 3N2, Canada
(416) 665-4131

Manufactures engine, transmission, and cooling components and systems and aluminium die cast and machined components.

Vehma International Inc.
70 Leek Crescent
Richmond Hill, Ontario L4B 1H1, Canada
(416) 764-5445

Engaged in the design, engineering and assembly of motor vehicles.

Transfer Agent(s):

Canada Trust Company
Toronto, Calgary, Halifax, Montreal
Regina, Vancouver,,Winnipeg
Canada

Bank of Nova Scotia Trust Company of New York
New York, New York

Stock Exchange(s): Toronto; Over-the-Counter

Ticker Symbol: MG.A & MG.B (Toronto); MAGAF (NASDAQ)

Number of Employees:

1989	17,500
1988	15,800
1987	12,000
1986	10,300
1985	7,500

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,923,657,000	$ 33,611,000
1988	1,458,603,000	19,542,000
1987	1,152,463,000	40,345,000
1986	1,027,776,000	47,259,000
1985	690,400,000	38,165,000

	No. of Com Shares #	Earn per Share †
1989	27,819,419	$ 1.21
1988	27,819,419	0.70
1987	27,886,919	1.56
1986	25,371,747	1.93
1985	23,956,849	1.77

# Class A Common and Class B shares combined.
† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.48	—	—
1988	0.48	—	
1987	0.48	—	—
1986	0.48	—	—
1985	0.46	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 464,316,000	$ 16.69
1988	446,081,000	16.03
1987	448,905,000	16.10
1986	345,910,000	13.63
1985	289,403,000 +	12.08

+ After allowing for preferred stock at stated value.
† Class A Common and Class B shares combined.

Income Account
(000's)

Year ended July 31		1989		1988
Net sales	$	1,923,657	$	1,458,603
Cost of sales		1,534,864		1,133,226
Depreciation & amortization		99,390		74,570
Expenses		203,752		178,757
Interest expense		73,045		49,768
Equity income		(3,682)		(538)
Special provision		30,300		—
Gain on sale of real estate		(63,765)		(7,580)
Gains on issuance of subsid. shares		(8,700)		(7,890)
Income before taxes	$	58,453	$	38,290
Income taxes		23,250		12,670
Minority interest		1,592		6,078
Net Income	$	33,611	$	19,542

Assets
(000's)

As of July 31		1989		1988
Accts. receiv., net	$	328,911	$	285,686
* Inventories		255,280		233,562
Inc. taxes recov.		1,558		21,457
Prepaid expenses		15,188		9,730
Current Assets	$	600,937	$	550,435
# Fixed Assets		1,101,217		999,671
Investments		116,425		74,076
Intangibles & other assets		44,538		41,474
Total Assets	$	1,863,117	$	1,665,656

Liabilities
(000's)

Long-term debt, curr.	$	15,835	$	14,970
Bank indebtedness		220,005		240,860
Accts. payable		251,961		201,404
Accrued payroll		38,269		32,213
Other accruals		18,726		3,183
Income taxes payable		497		3,505
Curr. Liabilities	$	545,293	$	496,135
Long-term debt		589,617		517,762
Convert. subord. bonds		96,292		97,775
Minority interest		107,233		52,203
Deferred inc. taxes		60,366		55,700
+ Class A common stock		289,976		289,976
+ Class B common stock		1,512		1,512
Curr. trans. adjust.		(6,628)		(4,605)
Retained earnings		179,456		159,198
Total Liabilities & Shareholders' Equity	$	1,863,117	$	1,665,656

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. taxes to Sales		3.04		2.63
% Net Income to sales		1.75		1.34
% Net Income to Equity		7.24		4.38
Sales to Inventories		7.54		6.25
Debt to Equity		1.78		1.73
Working Capital	$	55,644,000	$	54,300,000
Current Ratio		1.10		1.11
Shareholders' Equity	$	464,316,000	$	446,081,000

Mark Controls Corporation

5202 Old Orchard Road
Skokie, Illinois 60077
(708) 470-8585
FAX: (708) 470-9774

Officers: William E. Bendix, president & chief executive officer; J. Emmett Hammond, sr. v.p.-finance & secretary; Eugene J. Tully, sr. v.p.; Michael N. Powell, v.p.; Kenneth J. Wroblewski, controller; Donald C. Bennett, Jr., asst. treasurer & asst. secretary.

Directors: Merle H. Banta, William E. Bendix, Frederic V. Malek, James M. Reed, Dalton L. Knauss.

Areas of Work: The Company manufactures, sells and services industrial and commercial equipment. Products of the current business units are primarily used in flow control applications, and include pneumatic and electronic controllers, regulators, temperature controllers, mixing valves, valves controlled by pneumatic and electric actuators and associated instruments, as well as manually controlled valves and iron castings.

Divisions and Subsidiaries:

Center Line
1007 East Admiral Boulevard
Tulsa, Oklahoma 74120
(918) 587-9401
Standard butterfly and wafer check valves.

FlowSeal
3201 Walnut Avenue
Long Beach, California 90807
(213) 426-2531
High-performance butterfly valves.

Powers Process Controls
3400 Oakton Street
Skokie, Illinois 60076
(312) 673-6700
Manufactures and markets a broad line of electronic and pneumatic instruments, specialty control valves and self-contained temperature regulators for the food and beverage, pharmaceutical and chemical industries.

Pacific Valves
3201 Walnut Avenue
Long Beach, California 90807
(213) 426-2531
Gate, globe and check valves.

Empire Foundry
2729 Charles Page Boulevard
Tulsa, Oklahoma 74127
(918) 587-2350
Specialty iron castings.

Galena Engineering Ltd.
Unit 6, Foundry Lane
Horsham
West Sussex RH13 5TL, England
Manufactures and markets double acting and spring return pneumatic rotary actuators.

Dynalco Controls Corporation
3690 N.W. 53rd Street
Fort Lauderdale, Florida 33309
(305) 739-4300
Produces heavy-duty, reliable electronic instruments and controls, primarily for large stationary engine applications. Products include tachometers, speed switches, temperature monitors, magnetic pick up sensors, governors and overall engine controls.

Transfer Agent(s):

Continental Illinois National Bank and Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MRCC (NASDAQ)

Number of Employees:

1989	610	1986	629
1988	630	1985	771
1987	492		

Plant Footage:

1989	413,000 sq. ft.	1987	369,000
1988	413,000		

Sales & Earnings

	Net Sales	Net Income #
1989	$ 76,960,000	$ 2,769,000
1988	68,200,000	3,415,000
1987	58,473,000	2,371,000
1986	66,485,000	(7,659,000)
1985	75,509,000	2,098,000

	No. of Com. Shares ‡ †	Earn. per Share #‡ †
1989	4,893,000	$ 0.57
1988	4,927,000	0.69
1987	4,906,000	0.48
1986	4,906,000	—
1985	4,906,000	0.43

(Loss)
# Including extraordinary gains of $720,000 (0.14 per share) in 1988, $1,000,000 ($0.20 per share) in 1987 and $1,000,000 ($0.21 per share) in 1985.
† Pro forma.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 26,274,000	$ 5.42
1988	23,888,000	4.97
1987	21,067,000	4.39
1986*	38,618,000	—
1985*	41,053,000	—

* Net investment of company before restructuring.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 76,960	$ 68,200
Cost of sales	52,868	46,022
Expenses	18,310	16,753
Interest expense	1,456	1,200
Interest income	(63)	(122)
Income before taxes	$ 4,389	$ 4,347
Income taxes	1,620	1,652
Net Income	$ 2,769	$ 2,695
Extraord. gain	—	720
Net Income & extraord. gain	$ 2,769	$ 3,415

* Included in Costs and Expenses, Depreciation and Amortization: $2,827,000 in 1989 and $2,403,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 1,371	$ 1,407
Accts. receiv., net	11,562	11,756
*Inventories	19,805	18,093
Assets held for sale	720	2,945
Other curr. assets	1,563	1,562
Current Assets	$ 35,021	$ 35,763
Intangibles	3,675	4,426
#Fixed assets	7,746	8,561
Total Assets	$ 46,442	$ 48,750

Liabilities
(000's)

	1989	1988
Accts. payable	$ 3,791	$ 5,044
Accruals	4,468	6,913
Inc. taxes pay.	—	1,102
Curr. Liabilities	$ 8,259	$ 13,059
Long-term debt	11,000	10,000
Other liabilities	909	1,803
+Common stock	49	48
Add. paid-in capital	19,925	19,907
Retained earnings	7,004	4,235
Treasury stock	(173)	(25)
For. exch. adjust.	(531)	(277)
Total Liabilities & Shareholders' Equity	$ 46,442	$ 48,750

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.70	6.37
%Net Income to Sales	3.60	3.95
%Net Income to Equity	10.54	11.28
Sales to Inventories	3.89	3.77
Debt to Equity	0.42	0.42
Working Capital	$ 26,762,000	$ 22,704,000
Current Ratio	4.24	2.74
Shareholders' Equity	$ 26,274,000	$ 23,888,000

Mark IV Industries, Inc.

One Towne Centre, 501 John James Audubon Parkway
P.O. Box 450
Amherst, New York 14226-0810
(716) 689-4972
FAX: (716) 689-6098

Officers: Sal H. Alfiero, chairman; Clement R. Arrison, president; William P. Montague, exec. v.p. & chief financial officer; E. Maclin Roby, exec. v.p.; Gerald S. Lippes, secretary; Frederic L. Cook, sr. v.p.-administration; John J. Byrne, v.p.-finance; Richard L. Grenolds, v.p. & chief accounting officer; Ronald A. Riggs, v.p; Douglas J. Fiegel, v.p.-financial control & reporting; Patricia A. Richert, v.p. & chief financial officer.

Directors: Sal H. Alfiero, chairman; Clement R. Arrison, Joseph G. Donohoo, Gerald S. Lippes, Herbert Roth, Jr..

Areas of Work: The Company's operations involved three industry segments: Technical Products and Systems, such as professional audio and information products, instrumentation products, and aerospace and defense products; Engineered Products and Systems, such as industrial belts and hoses, safety products, control systems, and industrial and other products; and Transportation Products and Systems, such as automotive drive systems, belts and hoses, and automotive heat exchange product and systems.

Technical products include a wide variety of microprocessor and computer-based instruments and electronic components, equipment, and systems used for measuring, monitoring, information display and communication. Professional audio systems include sound equipment and components such as loudspeakers, speaker systems, and microphones for commercial and professional use. Aerospace and defense products include electronics and fluids control systems which are specially designed and engineered to operate with a high degree of reliability in outer space and other harsh environments.

Divisions and Subsidiaries:

Automatic Signal
8004 Cameron Road
Austin, Texas 78753
(512) 837-8300
Traffic signals and controls.

Clarke Container Co.
45 Norwood Avenue
Jamestown, New York 14701
(716) 487-1959
Child-resistant prescription enclosures.

Glar-Ban
199 Wales Avenue
Tonawanda, New York 14150
(716) 694-5076
Non-infrared instrument lighting.

Goodrich
3560 Chicago Drive
Hudsonville, Michigan 49426
(616) 669-1000
Resistance welding transformers.

Graphic Instruments
Gulton Industrial Park
East Greenwich, Rhode Island 02818
(401) 884-6800
Low frequency recorders.

Eagle Sound
160 San Gabriel Drive
Sunnyvale, California 94086
(408) 245-6600

Industrial Systems
55 Green Street
Clinton, Massachusetts 01510
(508) 835-1000
Extrusion process control systems.

Lawo-Luminator-Europa
7550 Rastatt-Ottersdorf
AM Oberwald 8
West Germany

LFE Instruments
11655 Chillicothe Road
Chesterland, Ohio 44026
(216) 729-1681

Vega
9900 Baldwin Place
El Monte, California 91734
(818) 442-0782

Interstate Highway Sign
6005 Scott Hamilton Drive
Little Rock, Arkansas 72219
(501) 565-8484
Large-scale reflective highway signs.

Plasma Systems
55 Green Street
Clinton, Massachusetts 01510
(508) 835-1000
Plasma ashing and cleaning systems.

Lustreprint
622 Northumberland Avenue
Buffalo, New York 14215
(716) 835-2711
Flexible plastic packaging.

NRD
2937 Alt Boulevard
Grand Island, New York 14072
(716) 773-7634
Ionication elements and self-illuminating light sources.

Protective Closures (Caplugs)
2150 Elmwood Avenue
Buffalo, New York 14207
(716) 876-9855
Plastic closures.

Mokon
2150 Elmwood Avenue
Buffalo, New York 14207
(716) 876-9855
Oil and water temperature controls.

West Instruments
Gulton Limited
The Hyde, Brighton
Sussex BN2 4JU England
01144273606271
Multiple-point temperature controllers.

Alston
1600 South Mountain Avenue
Duarte, California 91010
(818) 357-2121
Telephone answering bureau equipment.

Altec Lansing
10500 West Reno
Oklahoma City, Oklahoma 73128
(405) 324-5311
Fixed-installtion professional sound systems, broadcast dynamic microphones, and high performance loudspeakers.

Electro-Voice
600 Cecil Street
Buchanan, Michigan 49107
(616) 695-6831
Fixed-installation professional sound systems, broadcast dynamic microphones and high performance loudspeakers.

Electro-Voice, S.A.
Keltenstrasse 5
CH-2563 Ipsach, Switzerland
011-4132516833

Femco
2000 Bethel Drive
High Point, North Carolina 27261
(919) 887-2611
Ruggedized communications, control and data acquisition products.

Luminator
1200 East Plano Parkway
Plano, Texas 75074
(214) 424-6511
Mobile programmable information displays.

FCD
100 Skiff Street
Hamden, Connecticut 06514
(203) 281-8000
Environmental control systems.

Gulton Data Systems
6600 Gulton Ct. NE
Albuquerque, New Mexico 87109
(505) 345-9031
Satellite telemetry and command equipment.

Servonic
1644 Whittier Avenue
Costa Mesa, California 92627
(714) 642-2400
Military and aerospace pressure transducers.

Eagle Signal Controls
8004 Cameron Road
Austin, Texas 78753
(512) 837-8300
Specialized control systems for industrial markets.

Mark IV Audio
602 Cecil Street
Buchanan, Michigan 49107
(616) 695-4708

Dayco Products
1 Prestige Place
Miamisburg, Ohio 45342
(513) 226-7000
Manufactures OEM accessory drives, cam drives and fluid handling systems; aftermarket belts, hoses and cooling system accessories, transmission coolers, fan clutches and diecast aluminum parts.

Gauss
9130 Glenoaks Boulevard
Sun Valley, California 91352
(818) 768-4323
Manufactures high-speed audio tape duplicating equipment.

Dynacord
Hirschberger Ring 45
D-8440 Straubing, West Germany

University Sound
13278 Ralston Avenue
Slymer, California 91342
(818) 362-9516
Manufactures commercial microphones, loudspeakers, audio electronics and telephone interconnect equipment.

Armtek Corporation
New Haven, Connecticut
Designs, manufactures and markets industrial and automotive products and systems.

Cetec Corporation
9900 Baldwin Place
El Monte, California 91731
(818) 442-8840
Manufactures a wide variety of audio products.

Ipra S.p.A.
Italy
Manufactures automotive radiators and other heat exchange products.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: IV

Number of Employees:

1990	9,100	1988	N.A.
1989	12,800	1987	4,000

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 832,959,000	$ 71,649,000
1989	579,203,000	22,801,000
1988	363,836,000	17,041,000
1987	291,529,000	10,210,000
1986	82,958,000	4,738,000

	No. of Com. Shares †	Earn. per Share #‡
1990	14,080,418	$ 4.87
1989	16,222,669	1.41
1988	16,217,046	1.14
1987	12,765,922	0.80
1986	12,764,913	0.45

+ Of continuing operations only.
# Including extraordinary gain of $10,001,000 ($0.68 per share) in 1990.
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1990	1989
Technical	$ 239,836	$ 237,105
Engineered	263,975	163,774
Transportation	329,148	178,324
Total	$ 832,959	$ 579,203

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	3-for-2
1989	—	—	
1988	—	—	—
1987	—	—	3-for-2 & 3-for-2
1986	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 165,055,000	$ 11.72
1989	114,766,000	7.07
1988	92,546,000	5.71
1987	40,369,000	3.16
1986	28,988,000	2.27

‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended Feb. 28		1990		1989
Net sales	$	832,959	$	579,203
Cost of sales		524,391		363,428
Expenses		192,986		129,174
Depreciation & amortization		19,873		14,022
Interest expense		58,700		43,531
Gain on sale of invest.		(5,846)		(14,433)
Income before taxes	$	42,855	$	43,481
Income taxes		15,729		14,960
Inc.-cont. oper.	$	27,126	$	28,521
Inc. (loss)-discont. oper.		34,522		(5,720)
Net Income	$	61,648	$	22,801
Extraord. gain		10,001		—
Net Income & extraord. gain	$	71,649	$	22,801

Assets
(000's)

As of Feb. 28		1990		1989
Cash	$	7,331	$	7,377
Accts. receiv., net		162,651		160,234
*Inventories		207,516		212,693
Assets held for sale		11,819		200,777
Other curr. assets		9,721		7,993
Current Assets	$	399,038	$	589,074
#Fixed assets		229,394		224,190
Cost in exc. of assets acq.		71,040		71,000
Total Assets	$	848,683	$	951,975

Liabilities
(000's)

Accts. payable	$	37,298	$	47,242
Accrued compensation		24,815		28,772
Accrued interest		15,924		19,174
Other accruals		34,101		34,296
Income taxes		7,454		6,172
Curr. Liabilities	$	119,592	$	135,656
Long-term debt		544,176		682,996
Other liabilities		19,860		18,557
+Common stock		165		165
Add. paid-in capital		48,941		48,913
Retained earnings		135,576		63,927
For. curr. trans. adjust.		1,244		2,907
Invest. valu. allowance		—		(1,079)
Treasury stock		(20,871)		(67)
Total Liabilities & Shareholders' Equity	$	848,683	$	951,975

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	37.35	19.87
Sales to Inventories	4.01	2.72
Debt to Equity	3.30	5.95
Working Capital	$ 279,446,000	$ 453,418,000
Current Ratio	3.34	4.34
Shareholders' Equity	$ 165,055,000	$ 114,766,000

Marshall Industries

9674 Telstar Avenue
El Monte, California 91731-3004
(818) 459-5500
FAX: (818) 442-5231

Officers: Gordon S. Marshall, chairman of the board, chief executive officer & president; Richard D. Bentley, exec. v.p. & chief oper. officer; Robert Rodin, sr. v.p.-mktng.; Henry W. Chin, v.p., controller & asst. secretary; Peter B. Heric, v.p.; Carl R. Sittman, v.p.-facilities; Thomas B. Whitten, v.p.-finance, chief fin. officer & secretary.

Directors: Gordon S. Marshall, chairman; Mason Phelps, Raymond G. Rinehart, William G. Bone, Lathrop Hoffman, Anthony W. Roberts.

Areas of Work: Engaged in the manufacture of semiconductors, connectors, passive components, computer subsystems and peripherals, production supplies, tool kits, instrumentation and workstations. Customers are mainly original equipment manufacturers in the major industries of computer mainframes and peripherals, capital and office equipment, communications, control and medical equipment and instrumentation, and military and aerospace.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 2097, Terminal Annex
Los Angeles, California 90054

Stock Exchange(s): New York

Ticker Symbol: MI

Number of Employees:

1989	1,550
1988	1,422
1987	1,100
1986	1,083
1985	1,112

Sales & Earnings

	Net Sales	Net Income
1989	$ 286,623,000	$ 5,145,000
1988	420,412,000	17,649,000
1987	286,623,000	5,145,000
1986	244,777,000	2,857,000
1985	265,278,000	5,718,000

	No. of Com. Shares #	Earn. per Share #
1989	7,466,000	$ 0.69
1988	8,604,000	2.05
1987	7,466,000	0.69
1986	7,391,000	0.39
1985	7,346,000	0.78

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 134,608,000	$ 18.03
1988	111,979,000	13.01
1987	60,925,000	8.16
1986	54,944,000	7.43
1985	51,568,000	7.02

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended May 31	1989	1988
Net sales	$ 533,467,000	$ 4[illegible]12,000
Cost of sales	406,021,000	317,116,000
Expenses	88,068,000	70,084,000
Interest expense	3,407,000	2,814,000
Income before taxes	$ 35,971,000	$ 30,398,000
Income taxes	14,568,000	12,749,000
Net Income	$ 21,403,000	$ 17,649,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,430,000 in 1989 and $3,464,000 in 1988.

Assets

As of May 31	1989	1988
Cash	$ 1,768,000	$ 1,570,000
Receiv., net	67,506,000	62,037,000
*Inventories	107,181,000	90,737,000
Prepaid expenses	516,000	265,000
Deferred inc. tax benefits	2,878,000	—
Current Assets	$ 179,849,000	$ 154,609,000
#Fixed assets	43,475,000	40,860,000
Other assets	652,000	718,000
Total Assets	$ 223,976,000	$ 196,187,000

Liabilities

Long-term debt, curr.	$ 2,928,000	$ 1,976,000
Accts. payable	36,693,000	34,019,000
Accrued payroll	2,664,000	2,333,000
Other accruals	2,982,000	2,875,000
Income taxes	3,630,000	2,405,000
Deferred income taxes	—	266,000
Curr. Liabilities	$ 48,897,000	$ 43,874,000
Long-term debt	40,471,000	40,334,000
+Common stock	9,409,000	9,291,000
Add. paid-in capital	61,855,000	60,747,000
Retained earnings	63,344,000	41,941,000
Total Liabilities & Shareholders' Equity	$ 223,976,000	$ 196,187,000

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.74	7.23
%Net Income to Sales	4.01	4.20
%Net Income to Equity	15.90	15.76
Sales to Inventories	4.98	4.63
Debt to Equity	0.32	0.38
Working Capital	$ 110,735,000	$ 110,735,000
Current Ratio	3.52	3.52
Shareholders' Equity	$ 134,608,000	$ 111,979,000

Martin Marietta Corporation

6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000
FAX: (301) 897-6083

Officers: Norman R. Augustine, chairman & chief exec. officer; A. Thomas Young, president & chief operating officer; Frank H. Menaker, Jr., v.p. & general counsel; Peter B. Teets, president; Robert J. Polutchko, president; David C. Dressler, president; Dan A. Peterson, sr. vice president; Bobby F. Leonard, vice president; Richard M. Davis, president; Robert G. Morra, vice president; Marcus C. Bennett, sr. v.p. & chief financial officer; Janice K. Henry, secretary; Robert W. Powell, Jr., v.p. & treasurer.

Martin Marietta Corporation

Directors: Norman R. Augustine*, chairman; John J. Byrne, A. James Clark*, James L. Everett, III, Melvin R. Laird*, Thomas G. Pownall*, Laurence J. Adams*, Edward L. Hennessy, Jr., John K. McKinley, John W. Vessey, Jr.*, Edwin I. Colodny, Caleb B. Hurtt*, Lamar Alexander, A. Thomas Young.

* Member of the Executive Committee

Areas of Work: The Company's Astronautics Group is engaged in the design, development, engineering and production of space launch vehicles, spacecraft, space- and ground-based strategic systems, the Space Shuttle External Tank, end associated electronics and instrumentation.

The Electronics & Missiles Group is engaged in the design, development, engineering, and production of missiles and missile launching systems; electronic systems for precision guidance and air defense programs; electro-optical target acquisition, designation, and navigation systems; undersea systems; ordnance; and aircraft component manufacturing and assembly.

The Information Systems Group is engaged in the design, integration, and servicing of a broad range of information management and engineering systems, combining high-speed communications and information processing for such purposes as command, control, and communications; air traffic control; simulation; telecommmunications; and integrated communications networks.

The Materials Group consists of aggregates operations principally engaged in producing and selling crushed stone and gravel--primarily for highways and general construction and railroad ballast; and magnesia specialties operations, which produce and sell refractory materials and other magnesia products used in steel production, chemical processing, and various industrial applications.

Martin Marietta Astronautics Group
Denver, Colorado
Martin Marietta Commercial Titan, Inc.
Martin Marietta Space Launch Systems
Martin Marietta Space Systems
Martin Marietta Strategic Systems

Martin Marietta Manned Space Systems
New Orleans, Louisiana

Martin Marietta Electronics & Missiles Group
Orlando, Florida
Martin Marietta Electronic Systems
Martin Marietta Missile Systems

Martin Marietta Aero & Naval Systems
Baltimore, Maryland

Martin Marietta Ordnance Systems, Inc.
Orlando, Florida

Martin Marietta Information Systems Group
Chantilly, Virginia

Martin Marietta Data Systems
Chantilly, Virginia

Martin Marietta Information & Communications Systems
Denver, Colorado

Martin Marietta Materials Group
Bethesda, Maryland

Martin Marietta Aggregates
Releigh, North Carolina

Martin Marietta Magnesia Specialties, Inc.
Hunt Valley, Maryland

International Light Metals Corporation
Torrance, California

Martin Marietta Energy Systems, Inc.
Oak Ridge, Tennessee

Oak Ridge National Laboratory
Oak Ridge, Tennessee

Martin Marietta Laboratories
Baltimore, Maryland

Transfer Agent(s)

Maryland National Bank
225 North Calvert Street
Baltimore, Maryland 21203

First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Pacific, Midwest, Philadelphia, London

Ticker Symbol: ML

Number of Employees:

1989 65,500
1988 67,500
1987 70,000
1986 .... N.A.
1985 66,000

N.A. - Not Available.

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1989	$ 5,796,182	$ 306,943
1988	5,727,482	358,875
1987	5,172,954	230,650
1986	4,762,956	202,344
1985	4,421,085	249,392

	No. of Com. Shares #	Earn. per Share †#
1989	52,770,895	$ 5.82
1988	53,151,967	6.75
1987	54,318,363	4.25
1986	55,147,793	3.67
1985	56,619,040	4.36

† Including extraordinary gain of $39,100,000 ($0.73 per share) in 1989.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Astronautics	$ 2,754,200	$ 2,467,100
Electronics & missiles	2,116,700	2,054,800
Information systems	747,900	997,800
Materials	384,100	402,200
Other	39,000	60,000
Intersegment	(245,700)	(254,400)
Total	$ 5,796,200	$ 5,727,500

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 1.225	—	—
1988	1.10	—	
1987	1.05	—	—
1986	1.00	—	—
1985	0.973	—	3-for-2

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 1,354,960,000	$ 25.68
1988	1,200,612,000	22.59
1987	907,732,000	16.71
1986	843,376,000	15.29
1985	707,957,000	12.50

# Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 5,796,182	$ 5,727,482
Cost of sales & expenses	5,331,544	5,330,762
Oper. profit	$ 464,638	$ 396,720
Other income	(7,789)	(117,189)
Interest expense	43,084	38,734
Income bef. taxes	$ 429,343	$ 475,175
Income taxes	122,400	155,400
Net Income	$ 306,943	$ 319,775
Extraord. gain	—	39,100
Net Income & extraord. gain	$ 306,943	$ 358,875

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $207,036,000 in 1989 and $198,607,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 67,568	$ 76,642
Accts. & notes receiv., net	779,740	735,670
*Inventories	539,740	443,324
Other curr. assets	53,557	35,686
Current Assets	$ 1,440,605	$ 1,291,322
Investments	167,970	159,991
#Fixed assets	1,300,939	1,297,507
Other assets	595,865	570,167
Total Assets	$ 3,505,379	$ 3,318,987

Liabilities
(000's)

Long-term debt, curr.	$ 4,179	$ 3,234
Accts. payable & accruals	359,086	335,140
Accrued payroll	217,661	236,055
Income taxes	126,281	147,547
Other curr. liab.	219,120	186,611
Curr. Liabilities	$ 926,327	$ 908,587
Long-term debt	477,504	483,784
Other liabilities	232,033	253,275
Deferred inc. taxes	514,555	472,729
+Common stock	50,814	52,820
Add. paid-in capital	257,898	343,857
Retained earnings	1,046,248	803,935
Total Liabilities & Shareholders' Equity	$ 3,505,379	$ 3,318,987

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation, depletion and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.41	8.30
%Net Income to Sales	5.30	6.27
%Net Income to Equity	22.65	28.89
Sales to Inventories	10.74	12.92
Debt to Equity	0.36	0.41
Working Capital	$ 514,278,000	$ 382,735,000
Current Ratio	1.56	1.42
Shareholders' Equity	$ 1,354,960,000	$ 1,200,612,000

MATEC Corporation

63 South Street
Hopkinton, Massachusetts 01748
(508) 435-9039

Officers: Ted Vapley, Jr., chairman & chief exec. officer; Neil S. Bernstein, president & chief operating officer; Michael J. Kroll, v.p. & treasurer; L. Stephen Bowers, group v.p.; John J. McArdle, III, secretary..

Directors: Ted Valpey, Jr., chairman; Neil S. Bernstein, Richard Damon, Eli Fleisher, Robert B. Gill, Lawrence Holsborg, John D. Hunt, Joseph Tiberio, Robert W. Valpey.

Areas of Work: Operates in three industry segments: Steel Cable, Electronics, and Diffusion Coating

Subsidiaries:

Alloy Surfaces Company, Inc.
100 Locke Road
Wilmington, Delaware 19809
(302) 762-8900

Application of corrosion-resistant coatings to gas turbine engines; production of proprietary specialty chemicals sold to gas turbine engine manufacturers; production of pyrophoric materials for military countermeasure application.

Bergen Cable Technologies, Inc.
Gregg Street
Lodi, New Jersey 07644
(201) 487-3521

Manufactures mechanical cable and cable assemblies.

Crystal Biotech, Inc.
1 Kuniholm Road
New Englander Industrial Park
Holliston, Massachusetts 01746
(508) 429-5977

Designs and produces ultrasonic doppler systems for measuring blood flow in research and clinical applications.

Matec Applied Sciences, Inc.
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-9039

Designs and manufactures which characterize colloids (small particles in suspension).

Matec Fiberoptics, Inc.
56 Hudson Street
Northboro, Massachusetts 01532
(508) 393-3753

Produces a wide variety of custom-built fiberoptic components for industrial, medical, military and scientific customers.

Matec Instruments, Inc.
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-9039

Designs and manufactures high-powered pulsed radio frequency (RF) instruments.

MEKontrol, Inc.
56 Hudson Street
Northboro, Massachusetts 01532
(508) 393-2451

Designs and manufactures photoelectric controls.

Valpey-Fisher Corporation
Frequency Control Division
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-6831

Manufactures quartz crystals and crystal oscillators.

Valpey-Fisher Corporation
Ultrasound Division
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-6831

Fabricates a broad range of piezoelectric components for industrial, medical, military and research applications.

Affiliate:

Sawyer Research Products, Inc. (34.2% interest)

Produces single crystal cultured quartz used extensively in electronic and optional applications.

Transfer Agent(s):

Bank of Boston
Shareholder Services Division
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: MXC

Number of Employees:

1988 .... 325 1987 320

Plant Footage:

1988 .... 355,400 sq. ft. 1987 355,400

Sales & Earnings

	Net Sales +	Net Income
1988	$ 27,786,000	$ 1,364,000
1987	20,742,000	316,000
1986	19,894,000	479,000
1985	20,044,000	(122,000)
1984	20,268,000	1,395,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,142,000	$ 0.43
1987	3,333,000	0.09
1986	3,330,000	0.14
1985	3,409,000	—
1984	3,409,000	0.41

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1988	1987
Electronics	$ 10,866,000	$ 8,170,000
Steel cable	7,134,000	5,962,000
Diffusion coating	6,112,000	4,566,000
Instruments	3,674,000	2,044,000
Total	$ 27,786,000	$ 20,742,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 14,352,509	$ 4.57
1987	13,239,660	3.97
1986	14,128,700	4.24
1985	13,977,099	4.10
1984	14,121,632	4.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Dec. 31	1988	1987
Net sales	$ 27,786,462	$ 20,742,000
Cost of sales	18,404,252	14,388,322
Expenses	7,779,523	6,073,052
Interest income	(140,291)	(194,078)
Eq. in inc. of Sawyer Research Prods.	(257,026)	(211,064)
Other expense (income)	(288,456)	70,065
Income before taxes	$ 2,288,460	615,703
Income taxes	924,000	300,000
Net Income	$ 1,364,460	$ 315,703

* Included in Costs and Expenses, Depreciation and Amortization: $1,092,099 in 1988 and $1,108,592 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 811,447	$ 1,846,182
Accts. receiv., net	5,099,453	3,413,124
*Inventories	5,341,881	3,832,117
Deferred inc. taxes	676,610	983,564
Current Assets	$ 11,929,391	$ 10,074,987
Investment in Sawyer Research Prods.	1,504,761	1,274,957
#Fixed assets	7,515,677	7,581,018
Other assets	2,168,191	1,644,768
Total Assets	$ 23,118,020	$ 20,575,730

Liabilities

Note payable	$ 562,797	$ —
Long-term debt, curr.	278,940	290,940
Accts. payable	1,081,727	1,035,367
Accruals	1,905,008	1,168,815
Income taxes	874,192	518,026
Curr. Liabilities	$ 4,702,664	$ 3,013,148
Long-term debt	2,565,651	2,868,752
Deferred inc. taxes	1,497,196	1,454,170
+Common stock	188,350	188,350
Add. paid-in capital	6,269,021	6,296,243
Retained earnings	11,167,299	9,802,839
Treasury stock	(3,272,161)	(3,047,772)
Total Liabilities & Shareholders' Equity	$ 23,118,020	$ 20,575,730

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
* $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.24	2.97
%Net Income to Sales	4.91	1.52
%Net Income to Equity	9.51	2.38
Sales to Inventories	5.20	5.41
Debt to Equity	0.24	0.24
Working Capital	$ 7,226,727	$ 7,061,839
Current Ratio	2.54	3.34
Shareholders' Equity	$ .4,352,509	$ 13,239,660

Materials Research Corporation

(The Company is a wholly-owned subsidiary of the Sony Corporation)

Route 303
Orangeburg, New York 10962
(914) 359-4200

Officers: Sheldon Weinig, chairman, president & chief executive officer; Garrett E. Pierce, exec. v.p., treasurer & chief financial officer; Daniel F. Yorke, v.p.; Frank Shi[illegible]eman, v.p.; Herbert Stoller, secretary.

Directors: Sheldon Weinig, chairman; Herbert Stoller, Joseph C. Abeles, Luther H. Hodges, Jr., Edward E. David, Jr., Robert E. Davis, Garrett E. Pierce.

Areas of Work: Supplies high-purity metals, ceramics, sputtering and etching equipment to the electronics and telecommunications industries.

Divisions:

Advanced Materials Division

Refines and fabricates high-purity metals and alloys into the forms required for industrial thin-film application.

Hybrid Products Division

Manufactures highest purity ceramic substrates for such hybrid circuit applications as microwaves and telecommunications.

Process Equipment Division

Designs, develops and manufactures thin-film deposition and etching equipment (sputtering equipment).

Materials Research Corporation

Subsidiaries:

Materials Research, Ltd.
Penn, United Kingdom

Materials Research GmbH
Munich, West Germany

Materials Research, S.A.
Toulouse, France

Materials Research Srl
Milan, Italy

Nihon MRC Company, Ltd. (73%-owned)
Tokyo, Japan

Number of Employees:

1988	685	1985	1,014
1987	688	1984	989
1986	N.A.		

Plant Footage:

1988	357,800 sq. ft.	1985	417,800
1987	415,800	1984	298,300
1986	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income #
1988	$ 116,654,000	$ 5,914,000
1987	97,977,000	(1,964,000)
1986	89,095,000	(10,117,000)
1985*	104,321,000	2,560,000
1984	96,559,000	3,781,000

	No. of Com. Shares ‡	Earn. per Share #‡
1988	4,153,000	$ 1.42
1987	4,142,000	—
1986	4,110,000	—
1985*	4,059,000	0.63
1984	4,051,000	0.93

(Loss)
* 53 weeks.
# Including extraodinary gain of $2,770,000 ($0.66 per share) in 1988.
‡ Based on the average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	
1986	0.090	—	—
1985	0.120	—	—
1984	0.120	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 36,744,000	$ 8.85
1987	30,759,000	7.43
1986	32,312,000	7.80
1985	40,992,000	10.09
1984	37,649,999	9.29

Income Account *

Year ended	10/29/88	10/31/87
Net sales	$ 116,654,000	$ 97,977,000
Cost of sales	85,352,000	73,025,000
Expenses	16,547,000	15,645,000
Res. and develop. exp.	8,132,000	8,324,000
Interest expense	4,044,000	3,207,000
Other expense (income)	191,000	(330,000)
Gain on option sale	(3,721,000)	—
Income (loss) bef. taxes	$ 6,109,000	$ (1,894,000)
Income taxes	2,972,000	70,000
Net Income (Loss)	$ 3,137,000	$ (1,964,000)
Extraord. gain	2,777,000	—
Net Income (Loss) & extraord. gain	$ 5,914,000	$ (1,964,000)

* Included in Costs and Expenses, Depreciation: $3,802,000 in 1988 and $3,771,000 in 1987.

Assets

As of	10/29/88	10/31/87
Cash	$ 994,000	$ 1,343,000
Receiv. from option sale	1,973,000	—
Accounts receiv., net	25,340,000	27,923,000
*Inventories	29,187,000	24,536,000
Prepaid expenses & other assets	1,500,000	2,428,000
Current Assets	$ 58,994,000	$ 56,230,000
#Fixed assets	27,202,000	29,211,000
Other assets	1,622,000	1,110,000
Total Assets	$ 87,818,0003	$ 86,551,000

Liabilities

Notes payable	$ 7,486,000	$ 6,040,000
Long-term debt, curr.	2,343,000	1,816,000
Accts. payable & accruals	13,872,000	14,176,000
Curr. Liabilities	$ 23,701,000	$ 22,032,000
Long-term debt	24,909,000	31,379,000
Other liabilities	2,464,000	2,381,000
+Common stock	4,153,000	4,142,000
Add. paid-in capital	22,601,000	22,536,000
Retained earnings	9,003,000	3,089,000
Cum. trans. adj.	987,000	992,000
Total Liabilities & Shareholders' Equity	$ 87,818,000	$ 86,551,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.24	—
% Net Income to Sales	2.69	—
% Net Income to Equity	8.54	—
Sales to Inventories	4.00	3.99
Debt to Equity	0.95	1.28
Working Capital	$ 35,293,000	$ 34,198,000
Current Ratio	2.49	2.55
Shareholders' Equity	$ 36,744,000	$ 30,759,000

Matsushita Electric Industrial Co., Ltd.

Kadoma, Osaka, Japan
(06) 908-1121

Officers: Masaharu Matsushita, chairman of the board; Akio Tanii, president; Shoji Sakuma, executive v.p.; Masahiko Hirata, executive v.p.; Tsuzo Murase, exec. v.p.; Hiroyuki Mizuno, exec. v.p.; Keiya Toyonaga, sr. managing director; Yoichi Morishita, sr. managing director; Kiyoshi Seki, managing director; Shiro Donishi, managing director; Kazuhiko Toyama, managing director; Shigeyuki Nishiuma, managing director; Hideo Takahashi, managing director; Keiichi Takahata, managing director; Masayuki Matsushita, managing director; Kazuo Ichikawa, managing director; Tadakazu Yamamoto, managing director; Koju Suzuki, managing director; Tsutomu Fukuhara, managing director; Sohei Nakayama, director; Kyonosuke Ibe, director; Shiro Enuo, director; Yuji Hijikata, director; Yutaka Hisakado, director; Masaya Nakajima, director; Hiroshi Kitayama, director; Akiya Imura, director; Mikio Higashi, director; Michitaka Ishizawa, director; Hisao Tahara, director; Shiro Horiuchi, director; Kazuhiko Sugiyama, director; Toshihiko Yamashita, director & executive advisor.

Areas of Work: Manufactures Video Equipment, including video tape recorders and related equipment, color TVs, video projection systems, and video disc players; Audio Equipment, including radios, radio/cassette recorders, tape recorders, stereo hi-fi equipment, compact disc players, and electronic organs; Home Appliances, including refrigerators, air conditioners, home laundry equipment, vacuum cleaners, microwave ovens and other cooking equipment, electric fans and heaters; Communication and Industrial Equipment, including office automation equipment, communications equipment, air conditioning equipment; Energy and Kitchen-Related Products, including dry batteries, lead-acid storage batteries, lithium, solar and other cells, gas appliances, kitchen sinks and cabinets, and solar energy equipment; Electronic Components, including LSIs, ICs, transistors, diodes, cathode ray tubes, image pickup tubes, electric lamps, tuners, capacitors, resistors, speakers, and printed circuits. Other manufactured products include records, music tapes, photographic equipment, bicycles, electric pencil sharpeners, and water purifiers.

Principal Consolidated Subsidiaries:

Matsushita Electric (U.K.) Ltd.
Matsushita Electronics Corporation
Victor Company of Japan, Ltd.
Matsushita Electronic Components Co., Ltd.
Matsushita Battery Industrial Co., Ltd.
Matsushita Seiko Co., Ltd.
Matsushita Kotobuki Electronics Industries, Ltd.
Matsushita Communication Industrial Co., Ltd.
Matsushita Refrigeration Company
Kyushu Matsushita Electric Co., Ltd.
Matsushita Housing Products Co., Ltd.
Matsushita Industrial Equipment Co., Ltd.
Matsushita Graphic Communication Systems, Inc.
Matsushita Electric Corporation of America
Matsushita Electric (Taiwan) Co., Ltd.
Matsushita Industrial Corporation Sdn. Bhd.
Matsushita Refrigeration Industries (S) Pte. Ltd.
Matsushita Electronics (S) Pte. Ltd.
Matsushita Electric (U.K.) Ltd.
Panasonic Espana S.A.

Subsidiaries (U.S.A.):

MANUFACTURING:

Matsushita Electric Corporation of America
Panasonic Company
Panasonic Industrial Company
Quasar Company
Panasonic Broadcast Systems Company
Matsushita Services Company
Panasonic Communications & Systems Company
Panasonic Factory Automation Company
Matsushita Television Company
Matsushita Cooking Appliance Company
Matsushita Electronic Components Corporation of America
Matsushita Communication Corporation of America
Matsushita-Ultra Tech. Battery Corporation
American Matsushita Electronics Corporation
America Kotobuki Electronics Industries, Inc.
Panasonic Technologies, Inc.
Matsushita Compressor Corporation of America
Matsushita Refrigeration Company of America
Kyushu Matsushita Electric Corporation of America
Solbourne Computer, Inc.
AMAC Corporation
Panasonic Advanced TV-Video Laboratories, Inc.
Panasonic Finance, Inc.
Panasonic Capital Corporation

Transfer Agent(s):

Chuo Trust and Banking Co., Ltd. (common stock)
Chuo-ku
Osaka, Japan

Morgan Guaranty Trust Company of New York
(American Depository Receipts)
New York, New York

Stock Exchange(s): Tokyo, New York*, Pacific*, Amsterdam, Frankfurt, Dusseldorf, Paris

Ticker Symbol: MC (New York and Pacific)* *Trades as an American Depositary Receipt.

Number of Employees:

1990	198,299	1987	180,570
1989	193,088	1986	181,453
1988	185,416		

Sales & Earnings

		Net Sales (millions)		Net Income (millions)
1990	¥	6,002,786	¥	235,561
1989		5,504,250		213,462
1988		5,067,188		164,623
1987*		1,572,241		49,423
1986		4,810,774		167,588

	No. of Com. Shares		Earn. per Share †
1990	2,080,234,037	¥	108.34
1989	1,955,629,195		99.94
1988	1,861,792,853		80.34
1987*	N.A.		25.79
1986	N.A.		87.50

¥ - Yen
N.A. - Not Available.
* 4 months
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(millions)

		1990		1989
Video equipment	¥	1,598,156	¥	1,568,397
Audio equipment		561,069		515,110
Home appliances		802,394		776,847
Communication & industrial equip.		1,374,910		1,104,424
Electronic components		781,206		726,450
Energy & kitchen-related prods.		312,091		282,960
Other		572,950		530,062
Total	¥	6,002,786	¥	5,504,250

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 10.00	—	—
1989	11.90	—	
1988	9.52	—	—
1987	3.81	—	—
1986	9.52	—	—

Common Stock Equity

		Total Equity (millions)	Equity Per Share
1990	¥	3,200,903	¥ 1,538.72
1989		2,866,516	1,465.78
1988		2,489,937	1,337.39
1987		2,212,690	—
1986		2,171,359	—

Income Account *
(millions)

Year ended Mar. 31		1990		1989
Net sales	$	6,002,786	¥	5,504,250
Cost of sales		4,009,590		3,670,885
Expenses		1,540,475		1,416,176
Interest expense		109,202		88,932
Interest income		(213,242)		(177,857)
Other income		(14,969)		(23,333)
Income before taxes	¥	571,730	¥	529,447
Income taxes		300,947		286,915
Eq. in earn. of assoc. cos.		(11,272)		(11,650)
Minority interests		46,494		40,720
Net Income	¥	235,561	¥	213,462

* Included in Costs and Expenses, Depreciation ¥ 237,749,000,000 in 1990 and ¥ 217,789,000,000 in 1989.

Assets
(millions)

As of Mar. 31		1990		1989
Cash & cash equiv.	¥	2,010,848	¥	1,440,144
Marketable securities		335,406		211,968
Accts. receiv., net		1,112,341		787,178
*Inventories		846,005		796,509
Other curr. assets		308,364		295,356
Current Assets	¥	4,612,964	¥	3,531,155
Receivables		344,261		280,782
Investments & advances		1,647,575		1,516,985
♯Fixed assets		957,642		824,212
Other assets		288,769		248,754
Total Assets	¥	7,851,211	¥	6,401,888

Liabilities
(millions)

Short-term debt & long-term debt, curr.	¥	1,045,848	¥	829,671
Accts. payable		512,197		391,525
Accrued income taxes	—	168,281		167,388
Accrued payroll		144,087		124,161
Other accruals		372,599		301,136
Deposits & advances from cust.		117,344		108,430
Employees' deposits		125,504		120,906
Other current liabilities		116,638		100,810
Curr. Liabilities	¥	2,602,498	¥	2,144,027
Long-term debt		1,197,082		621,903
Retirement & severance benefits		269,070		247,081
Minority interest		581,658		522,361
+ Common stock		184,940		164,251
Add. paid-in capital		541,786		486,554
Legal reserve		52,181		47,917
Retained earnings		2,487,093		2,283,310
Cum. trans. adj.		(65,097)		(115,516)
Total Liabilities & Shareholders' Equity	¥	7,851,211	¥	6,401,888

* At lower of cost (average) or market. Raw materials at cost (FIFO), not in excess of current replacement cost.
♯ Less accumulated depreciation
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.52	9.62
%Net Income to Sales	3.92	3.88
%Net Income to Equity	7.36	7.45
Sales to Inventories	7.10	6.91
Debt to Equity	0.70	0.51
Working Capital (000's)	¥2,010,466,000	¥1,387,128,000
Current Ratio	1.77	1.65
Shareholders' Equity (000's)	¥3,200,903,000	¥2,866,516,000

McDonnell Douglas Corporation

P.O. Box 516
St. Louis, Missouri 63166-0516
(314) 232-0232
FAX: (314) 777-1007

Officers: John F. McDonnell, chairman of the board & chief executive officer; Gerald A. Johnston, president; James H. MacDonald, sr. v.p.; F. Mark Kuhlmann, president-McDonnell Douglas Systems Integration Company; William P. Brown, pres.- McDonnell Douglas Helicopter Company; John T. Sant, sr. v.p., general counsel & secretary; James T. McMillan, sr. v.p.-group executive; William P. Brown, president-McDonnell Douglas Helicopter Company; Robert H. Hood, Jr., president-Douglas Aircraft Company; Ronald L. Kerber, v.p.-Technology & Business Development; Herbert J. Lanese, sr. v.p.-finance; William S. Ross, president-McDonnell Aircraft Company; C. James Dorrenbacher, president-McDonnell Douglas Space Systems Company; Edward C. Aldridge, Jr., president-McDonnell Douglas Electronic Systems Company; John P. Capellupo, deputy president-Douglas Aircraft Company.

Directors: John R. McDonnell*, chairman; William H. Danforth*, Kenneth M. Duberstein, James S. McDonnell, III, B.A. Bridgewater*, Jr., Julian B. Goodman, William E. Cornelius*, William S. Kanaga, John H. Biggs, Gen. Roscoe Robinson, Jr., Gerald A. Johnston, Sanford N. McDonnell*, chairman emeritus.

* Member of the Executive Committee

Areas of Work: The Company's operations include: The design, development and production of attack and fighter aircraft, including helicopters; Transport aircraft, which includes both commercial and military transport aircraft, training, spare parts, and related services; Space systems and missiles, which includes advanced studies and development and production of tactical and strategic missiles, satellite-launching vehicles, space shuttle components and payloads, space station, laser communications, and ballistic missile defense systems.

Divisions and Subsidiaries:

McDonnell Douglas Finance Corporation
3855 Lakewood
Long Beach, California 90846
(213) 593-1722

MDC Realty Company
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5941

McDonnell Douglas Canada Ltd.
Malton, Ontario L5P 1B7, Canada
(416) 677-4341

McDonnell Douglas International Sales Corp.
Box 516
St. Louis, Missouri 63166
(314) 232-0232

McDonnell Douglas Astronautics Company

McDonnell Douglas-Tulsa
200 North Memorial Drive
Tulsa, Oklahoma 74115
(918) 836-1616

McDonnell Aircraft Company
Box 516
St. Louis, Missouri 63166
(314) 232-0232

Douglas Aircraft Company
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5511

McDonnell Douglas Helicopter Company
Mesa, Arizona

Transfer Agent(s):

First Chicago Trust Company of New York
30 W. Broadway
New York, New York 10007

The Chase Manhattan Bank
One Chase Manhattan Plaza
New York, New York 10015

Stock Exchange(s): New York, Pacific

Ticker Symbol: MD

Number of Employees:

1989	127,926	1986	105,696
1988	121,421	1985	97,067
1987	112,400		

Sales & Earnings

	Revenues + (000's)	Net Income (000's)
1989	$ 14,589,000	$ 219,000
1988	14,438,000	350,000
1987	13,083,000	313,000
1986	12,505,000	277,500
1985	11,373,000	345,700

	No. of Com. Shares	Earn. per Share ‡
1989	38,300,000	$ 5.72
1988	38,200,000	9.13
1987	38,700,000	7.75
1986	40,600,000	6.86
1985	40,300,000	8.60

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Combat aircraft	$ 5,919,000	$ 6,070,000
Transport aircraft	4,741,000	4,877,000
Missiles, space & elec. syst.	2,736,000	2,368,000
Fiancial services	497,000	449,000
Other	688,000	671,000
Total Sales	$ 14,581,000	$ 14,435,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.82	—	—
1988	2.56	—	
1987	2.32	—	—
1986	2.08	—	—
1985	1.84	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 3,287,000	$ 85.88
1988	3,186,000	83.42
1987	2,969,900	76.71
1986	2,844,800	70.13
1985	2,634,600	65.34

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 14,589,000	$ 14,438,000
Cost of revenues	12,180,000	11,715,000
Expenses:		
Gen. & adm.	1,348,000	1,283,000
Res. & develop.	617,000	562,000
Interest & debt exp.	564,000	339,000
Inc. (loss) bef. taxes	$ (120,000)	$ 539,000
Income taxes (credit)	(83,000)	167,000
Inc. (loss)-cont. oper.	$ (37,000)	$ 372,000
Inc. (loss)-discont. oper.	77,000	(22,000)
Cum. effect of acct. change	179,000	—
Net Income	$ 219,000	$ 350,000

* Included in Costs and Expenses, Depreciation and Amortization: $542,000,000 in 1989 and $538,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 119,000	$ 107,000
Accts. receiv., net	1,350,000	1,275,000
Finance receivables	3,273,000	2,713,000
Inventories & contracts	5,128,000	4,244,000
# Fixed assets	2,648,000	2,426,000
Other assets	879,000	1,018,000
Total Assets	$ 13,397,000	$ 11,783,000

Liabilities
(000's)

	1989	1988
Notes payable & long-term debt, curr.	$ 4,935,000	$ 3,626,000
Accts. payable & accruals	2,440,000	2,051,000
Income taxes	979,000	1,471,000
Adv. & bill. in exc. of costs	1,756,000	1,449,000
+Common stock	38,000	38,000
Add. paid-in capital	281,000	277,000
Retained earnings	2,970,000	2,859,000
Foreign curr. trans.	(2,000)	12,000
Total Liabilities & Shareholders' Equity	$ 13,397,000	$ 11,783,000

# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	6.66	10.99
Debt to Equity	1.50	1.14
Shareholders' Equity	$ 3,287,000,000	$ 3,186,000,000

McRae Industries, Inc.

Wadeville Community, Highway 109 North
P.O. Box 726
Mount Gilead, North Carolina 27306
(919) 439-6147
FAX: (919) 439-9596

Officers: Branson J. McRae, president & treasurer; D. Gary McRae, first v.p.; Victor A. Karam, v.p.-footwear; Thaddeus R. Tedder, secretary; Harold W. Smith, v.p.-finance & accounting; James W. McRae, v.p.; Charles V. Rece, controller.

Directors: Branson J. McRae, chairman; Thaddeus R. Tedder, George M. Bruton, Brady W. Dickson, Victor A. Karam, D. Gary McRae, Harold W. Smith, Hilton J. Cochran, James W. McRae.

Areas of Work: The company's principal lines of business are the manufacture of military boots; the design, development and sale of electronic systems and computer software; the sale, leasing and service of photocopiers and duplicating machines, and commercial printing.

Divisions:

Footwear Division
Financing & Leasing Division
Uwharrie Mountain Lodge

Subsidiaries:

Compsee, Inc.
McRae Graphics, Inc.
McRae Boot, Inc.
Rae-Print Packaging, Inc.

Transfer Agent(s):

First Union National Bank
Securities Transfer Dept. CMG-5
Suite 450, UCB Building
212 South Tryon Street
Charlotte, North Carolina 28281

Stock Exchange(s): American

Ticker Symbol: MRI-A and MRI-B

Number of Employees:

1989	467	1987	410
1988	460	1986	490

Sales & Earnings

	Net Sales	Net Income
1989	$ 33,096,923	$ 2,112,197
1988	30,936,612	2,522,043
1987	27,98[illegible]7	2,253,050
1986	23,[illegible]1	1,184,822
1985*	22,[illegible]2	833,200

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,683,311	$ 0.79
1988	2,675,654	0.94
1987	2,675,654	0.84
1986	2,675,654	0.44
1985*	2,675,654	0.31

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988
Footwear & apparel mfg.	$ 20,167,154	$ 21,259,869
Elec. syst. develop. & sales	6,134,787	4,922,807
Photocopier sales & leasing	5,997,347	4,000,766
Other	797,635	753,170
Total	$ 33,096,923	$ 30,936,612

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.48	—	—
1988	0.36	—	
1987	0.46	—	—
1986	0.10	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 12,007,115	$ 4.47
1988	10,589,140	3.96
1987	8,595,217	3.21
1986	6,971,912	2.61
1985	5,921,080	2.21

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended	7/29/89	7/30/88
Net revenues	$ 33,096,923	$ 30,936,612
Cost of sales	24,945,933	22,940,693
Expenses	4,526,353	3,787,257
Other income	(213,612)	(210,224)
Interest expense	162,122	92,366
Eq. in loss of investees	71,522	76,033
Income before taxes	$ 3,604,605	$ 4,250,487
Income taxes	1,400,742	1,666,505
Minority interest	91,666	61,939
Net Income	$ 2,112,197	$ 2,522,043

* Included in Costs and Expenses, Depreciation: $504,966 in 1989 and $470,497 in 1988.

Assets

As of	7/29/89	7/30/88
Cash & cash equiv.	$ 2,174,772	$ 1,826,898
Marketable securities	205,369	226,744
Accts. receiv., net	3,676,441	2,363,720
*Inventories	3,879,966	4,196,184
Notes receiv.	7,536	—
Invest. in cap. leases	616,860	529,445
Prepaid expenses	207,897	182,781
Current Assets	$ 10,768,841	$ 9,325,772
#Fixed assets	3,430,746	3,673,965
Investment - rel. cos.	20,359	91,881
Notes receiv. - rel. cos.	963,979	802,358
Land	192,733	167,475
Notes receiv.	312,383	—
Invest. in cap. leases	1,262,799	903,152
Other assets	141,624	350,706
Total Assets	$ 17,093,464	$ 15,315,309

Liabilities

Notes pay. & lines of credit	$ 972,408	$ 969,439
Long-term debt, curr.	244,694	42,000
Accts. payable	1,400,719	1,311,304
Accrued emp. benefits	325,056	663,559
Accrued payroll	215,292	172,384
Deferred serv. contracts	381,535	340,456
Other accruals	239,289	334,361
Income taxes	225,136	100,505
Curr. Liabilities	$ 4,004,129	$ 3,934,008
Long-term debt	225,000	69,694
Deferred inc. taxes	690,737	647,650
Minority interest	166,483	74,817
+ Common stock:		
Class A	1,551,600	1,481,189
Class B	1,137,580	1,194,465
Add. paid-in capital	602,286	576,771
Retained earnings	8,715,649	7,336,715
Total Liabilities & Shareholders' Equity	$ 17,093,464	$ 15,315,309

* At lower of cost or market. Footwear inventories at LIFO, all others at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.89	13.74
%Net Income to Sales	6.38	8.15
%Net Income to Equity	17.59	23.82
Sales to Inventories	8.53	7.37
Debt to Equity	0.12	0.10
Working Capital	$ 6,764,712	$ 5,391,764
Current Ratio	2.39	2.37
Shareholders' Equity	$ 12,007,115	$ 10,589,140

Measurex Corporation

One Results Way
Cupertino, California 95014-5991
(408) 255-1500
FAX: (408) 996-2371

Officers: David A. Bossen, president & chief executive officer; John C. Gingerich, exec. v.p.-u.s. operations; Fernand Ostiguy, exec. v.p.-international operations; Jerome Raffel, sr. v.p.-manufacturing operations; Robert McAdams, Jr., sr. v.p.-finance & administration; Doris S. Bossen, v.p.-corp. communications; Phillip E. Peterson, v.p.-personnel; Glenn R. Wienkoop, president-Measurex Automation Systems; Harish S. Rao, v.p.-corp. engineering & marketing; Lance Lissner, v.p.-industry groups, engineering and marketing; Willis Lumpkin, treasurer; Carl A. Thomsen, v.p. & controller; Charles Van Orden, general counsel & secretary; Robert W. Hirt, asst. controller-taxes.

Directors: Graham Tyson, Paul Bancroft, III, Dwight C. Baum, Orion L. Hoch, David A. Bossen, John W. Larson, John W. McKittrick.

Areas of Work: Develops, manufactures and markets automatic control systems (high-accuracy proprietary sensors linked to digital computers). Product line provides materials control, through-output control, energy control and quality control for manufacturers in the continuous process industries.

Subsidiaries:

Measurex (Ireland) Ltd.
Industrial Estate
Waterford, Ireland

Measurex (Ireland) Ltd.
Mahon Industrial Estate
Cork, Ireland

Measurex Automatic Systems (MAS)
Cupertino, California

Measurex Management Systems Division
Fairfield, Ohio
Pointe Claire, Quebec, Canada
Sittard
The Netherlands

Provides transaction computing expertise in the areas of order entry, production planning, inventory management and shipping.

Transfer Agent(s):

Bank of America, N.T. & S.A.
San Francisco, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: MX

Number of Employees:

1989	2,770	1986	2,490
1988	2,620	1985	2,360
1987	2,540		

Plant Footage:

1989	350,000 sq. ft.	1987	320,140
1988	350,000		

Sales & Earnings

	Operating Revenues	Net Income
1989	$ 285,347,000	$ 40,682,000
1988	265,240,000	37,066,000
1987	227,353,000	26,815,000
1986	192,707,000	21,068,000
1985	176,614,000	17,720,000

	No. of Com. Shares #	Earn. per Share #
1989	18,730,000	$ 2.17
1988	18,960,000	1.95
1987	19,228,000	1.39
1986	18,882,000	1.12
1985	18,340,000	0.97

# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Systems	$ 195,508,000	$ 184,220,000
Service & other	89,839,000	81,020,000
Total	$ 285,347,000	$ 265,240,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.370	—	—
1988	0.270	—	
1987	0.225	—	—
1986	0.165	—	2-for-1
1985	0.120	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 230,074,000	$ 12.28
1988	204,487,000	10.79
1987	170,190,000	8.85
1986	151,866,000	8.04
1985	128,670,000	7.02

# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/3/89	11/27/88
Oper. revenues	$ 285,347	$ 265,240
Cost of sales, rentals & serv.	156,940	143,827
Expenses	68,807	62,373
New prod. devel. costs	21,685	19,185
Interest expense	399	1,141
Other income	(13,407)	(10,033)
Income before taxes	$ 50,923	$ 48,747
Income taxes	10,241	11,681
Net Income	$ 40,682	$ 37,066

* Included in Cost and Expenses, Depreciation and Amortization: $11,471,000 in 1989 and $11,682,000 in 1988.

Assets
(000's)

As of	12/3/89	11/27/88
Cash	$ 139,944	$ 143,216
Marketable securities	10,939	5,117
Accts. receiv., net	63,793	60,142
*Inventories	38,722	33,816
Prepaid expenses	9,634	6,355
Current Assets	$ 263,032	$ 248,646
Lease contracts receiv.	5,340	6,421
Serv. parts	4,161	4,027
#Fixed assets	48,736	34,248
Other assets	11,741	10,533
Total Assets	$ 333,010	$ 303,875

Liabilities
(000's)

Long-term debt, curr.	$ 302	$ 799
Accts. payable	6,091	5,485
Accruals	62,185	64,702
Income taxes	7,656	1,231
Curr. Liabilities	$ 76,234	$ 72,217
Long-term debt	4,955	5,922
Deferred inc. taxes	21,747	21,249
+Common stock	191	191
Add. paid-in capital	74,582	72,317
Retained earnings	173,358	141,714
For. curr. trans. adj.	23	1,841
Treasury stock	(18,080)	(11,576)
Total Liabilities & Shareholders' Equity	$ 333,010	$ 303,320

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Oper. Rev.	17.85	18.38
%Net Income to Oper. Rev.	14.26	13.97
%Net Income to Equity	17.68	18.13
Debt to Equity	0.02	0.03
Working Capital	$ 186,798,000	$ 176,429,000
Current Ratio	[illegible].45	3.44
Shareholders' Equity	$ 230,074,000	$ 204,487,000

Mechanical Technology Incorporated

968 Albany-Shaker Road
Latham, New York 12110
(518) 785-2211
FAX: (518) 785-2420

Officers: Harry Apkarian, chairman & chief executive officer; Richard Schmidt, president & chief operating officer; John Recupero, treasurer; V.B. Boghosian, secretary; Bruce Goldwater, v.p. & gen. mgr.-Technology Group; Steve Sullivan, exec. v.p. & gen. mgr.-Ling Electronics, Inc.; Ignatius MacBrinn, v.p. & controller; John Dority, gen. mgr.-L.A.B. Division; Denis Chaves, gen. mgr.-Instruments Division; Lawrence Maciariello, v.p.-human resources; Emily Ross, dir.-communications; Stephen Stone, gen. mgr.-ProQuip-,Inc.; Mark A. Smachlo, v.p. & gen. mgr.-Turbonetics Energy, Inc.; Harold T. Sher, president-United Telecontrol Electronics, Inc.; Edward S. Zorzi, gen. mgr.-Engineering & Technology Div., Technology Group; Rodney A. Knight, general counsel; Joseph L. Reinhart, mgr.-corp. development.

Directors: Harry Apkarian, chairman; Beno Sternlicht, V.B. Boghosian, H. Kaye Kerr, Charles Janjikian, Wayne B. Lyon, Richard G. Mosteller, Felix J. Ponzek, Alfred S. Howes, Richard K. Schmidt.

Areas of Work: Operates in four different areas. Defense/Aerospace develops and manufactures electronic and electro-mechanical systems and subsystems primarily for the military. Technology provides contract research and development design and prototype manufacturing services in mechanical engineering, machinery dynamics and diagnostics, tribology, electrical engineering, measurement science, and energy technology. Test and Measurement develops and manufactures high-accuracy inspection systems, shock and vibration testing systems, and electronic instruments using noncontact measurement techniques. Transportation manufactures decorative trim, stampings, and hardware, primarily for the transportation industry.

Divisions:

Technology Group Engineering & Technology Division
Latham, New York
Colonie, New York
Arlington, Virginia

Power Systems Division
Colonie, New York
Malta, New York

Instruments Division
Latham, New York

L.A.B. Division
P.O. Box G
Skaneateles, New York 13152
(315) 685-5781

Shaker Research Division
Latham, New York

Subsidiaries:

Ling Electronics, Inc.
4890 East LaPalma Avenue
Anaheim, California 92806

Ling Electronics Limited
Clydebank, Scotland

Turbonetics Energy, Inc.
Malta, New York

United Telecontrol Electronics, Inc.
3500 Sunset Avenue
Asbury Park, New York 07712
(201) 922-1000

Manufactures electronic products for military use, specifically radar transponders, telemetry equipment, missile launchers, and video and trigger amplifiers.

ProQuip, Inc.
Santa Clara, California

Manufactures electronic systems for testing rigid computer disks and is engaged in the development of electronic test equipment for the optical disk market.

Kimball Industries, Inc.
Monrovia, California

Manufactures components and fixtures for use in environmental testing equipment.

Transfer Agent(s):

Mechanical Technology Incorporated
968 Albany-Shaker Road
Latham, New York 12110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTIX (NASDAQ)

Number of Employees:

1989	703	1986	741
1988	992	1985	823
1987	938		

Plant Footage:

1989	406,750 sq. ft.	1986	260,000
1988	500,250	1985	260,000
1987	396,500		

Sales & Earnings

	Revenues +	Net Income
1989	$ 73,192,000	$ (2,984,000)
1988	74,060,000	3,163,000
1987	56,313,000	3,125,000
1986	53,874,000	2,614,000
1985	46,832,000	1,325,000

	No. of Com. Shares	Earn. per Share #
1989	3,523,493	$ —
1988	3,523,443	0.88
1987	3,540,243	0.86
1986	3,538,318	0.74
1985	3,516,268	0.36

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Defense/aerospace	$ 19,430,000	$ 24,638,000
Technology group	17,379,000	20,942,000
Test & measurement	36,383,000	28,480,000
Total	$ 73,192,000	$ 74,060,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 26,808,000	$ 7.61
1988	29,869,000	8.48
1987	26,911,000	7.60
1986	23,709,000	6.70
1985	21,006,000	5.97

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 57,142,000	$ 54,697,000
Other income	16,050,000	19,363,000
Total income	$ 73,192,000	$ 74,060,000
Cost of sales	54,535,000	51,597,000
Expenses	17,615,000	15,438,000
Prod. develop. costs	3,298,000	1,335,000
Interest expense	2,552,000	1,771,000
Other expense (income)	974,000	(725,000)
Inc. (loss) bef. taxes	$ (5,782,000)	$ 4,644,000
Income taxes (credit)	(2,048,000)	1,848,000
Cum. effect of acct. change	(83,000)	—
Inc. (loss)-cont. oper.	$ (3,651,000)	$ 2,796,000
Inc.-cont. oper.	667,000	367,000
Net Income (Loss)	$ (2,984,000)	$ 3,163,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,024,000 in 1989 and $2,722,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 3,809,000	$ 6,191,000
Accts. receiv., net	13,287,000	14,990,000
Inc. taxes receiv.	1,921,000	—
*Inventories	14,631,000	14,123,000
Prepaid expenses	672,000	527,000
Net assets-discont. oper.	—	3,304,000
Current Assets	$ 34,320,000	$ 39,135,000
#Fixed assets	8,127,000	9,274,000
Exc. of cost over assets acq.	17,344,000	17,851,000
Net assets-discont. oper.	—	2,749,000
Other assets	8,127,000	9,274,000
Total Assets	$ 60,834,000	$ 70,192,000

Liabilities

Note payable	$ 1,408,000	$ 2,860,000
Long-term debt	3,316,000	4,066,000
Accts. payable	4,668,000	3,953,000
Income taxes payable	—	388,000
Accrued liabilities	4,771,000	6,197,000
Curr. Liabilities	$ 14,163,000	$ 17,464,000
Long-term debt	18,140,000	21,270,000
Deferred inc. taxes	9,000	783,000
Minority interest	627,000	649,000
Other liabilities	1,087,000	157,000
+Common stock	3,543,000	3,543,000
Add. paid-in capital	13,131,000	13,130,000
Retained earnings	10,413,000	13,397,000
For. curr. trans. adjust.	(90,000)	(12,000)
Treasury stock	(189,000)	(189,000)
Total Liabilities & Shareholders' Equity	$ 60,834,000	$ 70,192,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	10.59
Sales to Inventories	3.91	3.87
Debt to Equity	0.85	0.94
Working Capital	$ 20,157,000	$ 21,671,000
Current Ratio	2.42	2.24
Shareholders' Equity	$ 26,808,000	$ 29,869,000

Medtronic, Inc.

7000 Central Avenue N.E.
Minneapolis, Minnesota 55432
(612) 574-4000
FAX: (612) 574-4879

Officers: Earl E. Bakken, sr. chairman of the board; Winston R. Wallin, chairman of the board & chief executive officer; Ronald E. Lund, v.p. & general counsel; William W. George, President & chief operating officer; Glen D. Nelson, vice chairman; Gerard C. Planchon, exec. v.p.-worldwide distribution; William W. Chorske, sr. v.p. & chief financial officer; Michael J. Boris, v.p. & treasurer; William E. Drake, v.p., deputy general counsel & secretary; Richard F. Sauter, v.p.-ventures; Bobby I. Griffin, exec. v.p.; Daniel R. Luthringshauser, v.p.-international distribution; Lowell P. Jacobsen, v.p.-human resources; John A. Meslow, v.p.-neurological business; Paul Citron, v.p.-science & technology; B. Kristine Johnson, v.p.-corp. affairs; Thomas E. Morin, v.p.-corp. services; Lawrence W. Shearon, v.p.-corp. technology; Richard W. Hunn, asst. treasurer; Barry D. Michaels, v.p. & corp. controller; Arthur W. Burnham, v.p.- corp. quality & regulatory affairs; Steven A. Tranter, v.p.-corp. development & diversified finance.

Directors: Earl E. Bakken, founder; Winston R. Wallin, chairman of the board & chief exec. officer; Thomas E. Holloran, Frank J. Dixon, Gerald W. Simonson, Richard L. Schall, William W. George, F. Caleb Blodgett, Richard A. Swalin, Glen D. Nelson, Vernon G. Heath, Bernadine P. Healy.

Areas of Work: Designs, manufactures and markets cardiac pacemakers and other cardiovascular, neurological and rehabilitative medical devices, prosthetic heart valves and nuclear and ultra-sound imaging software, and provides patient monitoring and follow-up services. Designs, manufactures and markets cardiac pacemakers and other cardiovascular, neurological and rehabilitative medical devices, prosthetic heart valves and nuclear and ultra-sound imaging software, and provides patient monitoring and follow-up services.

Divisions and Subsidiaries:

Applied Concepts Research Division

Promeon Division
6700 Shingle Creek Parkway
Brooklyn Center, Minnesota 55430

Andover Medical Incorporated
Manufactures disposable electrodes and cable systems for medical diagnosis and patient monitoring.

Micro-Rel Division
2343 W. 10th Place
Tempe, Arizona 85283
(602) 968-6411
Markets custom integrated circuits for high-technology instrumentation.

Medtronic Fabrication
Zone Industrielle Sud
Route d'Anor
59610 Fourmies, France

New England Research Center Division
45 William Street
Wellesley, Massachusetts

Medtronic Physiological Research Laboratories
1500 Northdale Boulevard
Coon Rapids, Minnesota 55433

Medtronic Biomedical Pty. Ltd.
Suite 8
409 King George's Road
Beverly Hills, 2209 N.S.W., Australia

Medtronic do Brasil Ltda.
Avenida Tambore' 1433
Alphaville, 06400 Barueri
Sao Paulo, Brazil

Medtronic of Canada Ltd.
6733 Kitimat Rd.
Mississauga, Ontario L5N 1W3, Canada
(416) 826-6020

Medtronic Europe S.N.C.
European Headquarters
25, rue Chateaubriand
75008 Paris, France

Medtronic Japan Co., Ltd.
Shuwa Kioi-cho Park Bldg., 5F
3-6 Kioi-cho, Chiyoda-ku
Tokyo 102, Japan

Medtronic B.V.
Wenckebachstraat, 10
6466 Kerkrade-West,
The Netherlands

Cardiocare Division
425 East 61st Street
New York, New York 10021
Provides heart rate monitoring both in person and through a telephone testing service.

Med Rel, Inc.
P.O. Box 8687
Humacao 00661, Puerto Rico

Medtronic Puerto Rico, Inc.
P.O. Box M
Villalba 00766, Puerto Rico

Neuro Division
Manufactures implantable spinal cord stimulators to relieve chronic pain.

Ventures Technology
Assesses market and technological potential of new ideas.

Medtronic Blood Systems, Inc.
Tascon Medical Technology, Inc.
Irvine, California
Have designed tissue valves intended to provide ease of use and safety at initial implant, and easier and faster replacement.

Xenotech Laboratories, Inc.
Irvine, California
Manufactures the INTACT tissue valve, with its maximum ability to handle stress and pressure within the heart; the INTACT valve is marketed in foreign countries.

Vitatron, N.V.
Dieren, The Netherlands
Pacemaker manufacturer.

Biotec Technologie Biomediche, S.P.A.
Bologna, Italy
Pacemaker manufacturer.

Todd Medical Inc.
Canton, Ohio
Neurological product distributor.

La Jolla Technology, Inc.
Manufactures and distributes neurological products.

Interventional Medical, Inc.
Danvers, Massachusetts
Manufactures and markets guiding catheters, which are used to facilitate the maneuvering of balloon catheters and other therapeutic devices through the heart's arteries.

Acquisition:

Bio-Medicus, Inc.
Manufacturer of centrifugal blood pumps used in open-heart surgery.

Transfer Agent(s):

Norwest Trust Company, New York
New York, New York

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: MDT

Number of Employees:

1989	6,300	1986	4,843
1988	5,728	1985	4,945
1987	4,952		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 741,699,000	$ 97,429,000
1988	653,319,000	86,521,000
1987	502,011,000	73,816,000
1986	402,811,000	53,413,000
1985	363,883,000	38,155,000

	No. of Com. Shares #	Earn. per Share #
1989	13,343,000	$ 7.30
1988	13,690,000	6.32
1987	14,072,000	5.25
1986	14,638,000	3.65
1985	15,403,000	2.48

+ Includes commissions.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.20	—	—
1988	1.04	—	
1987	0.88	—	—
1986	0.08	—	—
1985	0.76	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 473,609,000	$ 35.37
1988	395,868,000	29.72
1987	386,987,000	27.52
1986	348,702,000	24.27
1985	328,553,000	21.76

Income Account *
(000's)

Year ended April 30	1989	1988
Net sales & commissions	$ 741,699	$ 653,319
Cost of sales	239,060	210,025
Expenses	372,974	313,202
Interest expense	8,262	5,695
Interest income	(4,950)	(6,696)
Litigation settlement	(24,000)	—
Income before taxes	$ 150,353	$ 131,093
Income taxes	52,924	44,572
Net Income	$ 97,429	$ 86,521

* Included in Costs and Expenses, Depreciation and Amortization: $44,645,000 in 1989 and $29,039,000 in 1988.

Assets
(000's)

As of April 30	1989	1988
Cash & temp. invest	$ 51,284	$ 78,549
Accts. receiv, net	211,138	202,621
* Inventories	119,577	107,267
Prepaid inc. taxes	29,722	22,600
Prepaid expenses	9,506	9,805
Current Assets	$ 421,227	$ 420,842
# Fixed assets	151,370	128,323
Intangibles	149,067	55,365
Other assets	37,975	36,272
Total Assets	$ 759,639	$ 640,802

Liabilities
(000's)

Short-term borrowings	$ 72,111	$ 50,844
Accts. payable	44,618	50,705
Accrued payroll	31,633	29,475
Other accruals	45,950	38,195
Accrued income taxes	37,293	19,572
Curr. Liabilities	$ 231,605	$ 188,791

Long-term debt	7,814	9,096
Product warranties	9,715	13,343
Deferred inc. taxes	13,724	20,129
Other liabilities	23,172	13,575
+ Common stock	1,339	1,332
Retained earnings	471,485	389,353
Cum. trans. adjust.	785	5,183
Total Liabilities & Shareholders' Equity	$ 759,639	$ 640,802

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income be. Taxes to Sales	20.27	20.07
%Net Income to Sales	13.14	13.24
%Net Income to Equity	20.57	21.86
Sales to Inventories	6.20	6.09
Debt to Equity	0.17	0.15
Working Capital	$ 189,622,000	$ 232,051,000
Current Ratio	1.82	2.23
Shareholders' Equity	$ 473,609,000	$ 395,868,000

Megadata Corporation

35 Orville Drive
Bohemia, New York 11716
(516) 589-6800

Officers: Yitzhak N. Bachana, chairman of the board, president, treasurer & chief exec. officer; John R. Keller, exec. v.p. & secretary; Richard H. DaCosta, controller.

Directors: Yitzhak N. Bachana, chairman; Richard R. Schilling, Jr., Ronald S. Goldstein, Paul P. Alessandrini.

Areas of Work: Designs and assembles intelligent video display computer terminals and develops the related software, tailored to serve the specific business applications of its customers. The products are marketed for use in systems related to international monetary transfers for commercial banks; ground communications for airlines; text editing for news wire services and newspapers; data collection for telephone facilities, word processing systems for general office use; inventory control for large retail chains; and the monitoring of process controls for certain industries.

Subsidiaries:

TSD Display Products, Inc.
35 Orville Drive
Bohemia, New York 11716
(516) 589-6800

Develops, manufactures and markets touch screen digitizers, display monitors, and welded wire frames.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MDTA (NASDAQ)

Number of Employees:

1988	90	1985	110
1987	101	1984	127
1986	100		

Plant Footage:

1988	36,000 sq. ft.	1985	36,000
1987	36,000	1984	36,000
1986	36,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 7,932,482	$ (267,782)
1987	12,544,003	1,317,523
1986	9,002,776	294,707
1985	12,384,453	886,237
1984	15,045,405	1,552,725

	No. of Com. Shares #	Earn. per Share #
1988	2,015,817	$ —
1987	2,130,816	0.62
1986	2,152,310	0.14
1985	2,296,727	0.39
1984	2,303.100	0.67

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	
1986	—	—	—
1985	—	—	—
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 8,099,196	$ 4.02
1987	8,622,228	4.05
1986	7,381,080	3.43
1985	7,503,910	3.27
1984	6,885,736	2.99

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended Oct. 31	1988	1987
Revenues	$ 7,932,482	$ 12,544,003
Cost of revenues	6,231,927	7,785,658
Expenses	2,393,620	2,525,856
Interest income	(166,353)	(161,034)
Interest expense	10,341	—
Other income	(50,271)	—
Income (loss) bef. taxes	$ (486,782)	$ 2,393,523
Income taxes (credit)	(219,000)	1,076,000
Net Income (Loss)	$ (267,782)	$ 1,317,523

* Included in Costs and Expenses, Depreciation and Amortization: $308,379 in 1988 and $550,722 in 1987.

Assets

As of October 31	1988	1987
Cash	$ 1,966,110	$ 2,205,028
Accts. receiv., net	807,384	1,909,723
*Inventories	2,850,439	3,058,583
Prepaid inc. taxes	464,352	—
Prepaid expenses	503,877	375,254
Current Assets	$ 6,592,162	$ 7,548,588
#Fixed assets	2,264,180	2,784,652
Other assets	6,939	16,207
Total Assets	$ 8,863,281	$ 10,349,447

Liabilities

Accts. payable	$ 267,656	$ 603,169
Accruals	446,426	712,470
Income taxes	—	312,272
Curr. Liabilities	$ 714,082	$ 1,627,911
Deferred inc. taxes	50,003	99,308
+Common stock	23,031	23,031
Add. paid-in capital	1,883,731	1,883,731
Retained earnings	7,209,659	7,477,441
Treasury stock	(1,017,225)	(761,975)
Total Liabilities & Shareholder's Equity	$ 8,863,281	$ 10,349,447

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	19.08
%Net Income to Sales	—	10.50
%Net Income to Equity	—	15.28
Working Capital	$ 5,878,080	$ 5,920,677
Current Ratio	9.23	4.64
Shareholders' Equity	$ 8,099,196	$ 8,622,228

Mentor Graphics Corporation

8500 S.W. Creekside Place
Beaverton, Oregon 97005-7191
(503) 626-7000
FAX: (503) 626-9122

Officers: Thomas H. Bruggere, chairman of the board & chief executive officer; Gerard H. Langeler, president & chief operating officer; David C. Moffenbeier, executive v.p.; Richard J. Anderson, v.p.-human resources; Michael F. Bosworth, v.p. & general manager-Context Division; David L. Brinker, v.p. & gen. mgr.-Asia Pacific; Jean-Claude Caraes, v.p. & gen. mgr.-Europe; Frank S. Delia, v.p., general counsel & secretary; Dale T. Derby, v.p.-operations; Gary C. Geaslen, v.p.-customer support; Brian C. Henry, v.p. & chief financial officer; Brian W. Maggs, v.p.-North American sales; Berkeley T. Merchant, v.p.-customer productivity; James T. Hammock, v.p. & pres.-Silicon Design Division; Stephen Swerling, v.p.-technology; Marvin S. Wolfson, product group v.p.; Tsuneo Suzuki, v.p. & pres.-Mentor Graphics Japan; John C. Carveth, treasurer & asst. secretary; Sarwat H. Ramadan, corp. controller & chief accounting officer.

Directors: Thomas H. Bruggere, chairman; Gerard H. Langeler, David R. Hathaway, Fontaine K. Richardson, David N. Strohm, David C. Moffenbeier, Jon A. Shirley.

Areas of Work: Designs, manufactures, markets and services electronic design automation systems for use in the design, analysis, physical layout, testing, documentation and packaging of complex electronic products.

Divisions and Subsidiaries:

Context Corporation
Design and Analysis Division
Advanced Products Division
Electronic Packaging Division

Contour Design Systems, Inc.

Supplies analog component libraries and modeling technology.

Acquisition:

Silicon Compiler Systems
San Jose, California

Designs, develops, and markets software tools used in the design of complex integrated circuits.

Transfer Agent(s):

First Interstate Bank of Oregon, N.A.
P.O. Box 2971
Portland, Oregon 97208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MENT (NASDAQ)

Number of Employees:

1989	2,116	1986	909
1988	1,709	1985	777
1987	1,213		

Plant Footage:

1989	N.A.	1988	350,000 sq. ft.

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 380,034,000	$ 44,803,000
1988	300,750,000	33,540,000
1987	221,823,000	20,325,000
1986	173,545,000	11,000,000
1985	136,748,000	7,989,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	36,865,000	$ 1.22
1988	34,890,000	0.96
1987	33,962,000	0.60
1986	32,740,000	0.34
1985	30,992,000	0.26

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988	1987
System	79.6 %	80.2 %	80.2 %
Service & support	20.4	19.8	19.8
Total	100.0 %	100.0 %	100.0 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.15	—	2-for-1
1988	0.05	—	

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 274,039,000	$ 7.43
1988	221,709,000	6.35
1987	187,524,000	5.52
1986	155,231,000	4.74
1985	140,112,000	4.52

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues:		
System	$ 302,524	$ 241,271
Service & support	77,510	59,479
Total revenues	$ 380,034	$ 300,750
Cost of revenues	159,503	134,443
Expenses:		
Research & develop.	50,942	33,814
Mktng., gen. & adm.	110,966	87,614
Other income	(7,610)	(5,747)
Income before taxes	$ 66,233	$ 50,626
Income taxes	21,430	17,086
Net Income	$ 44,803	$ 33,540

* Included in Costs and Expenses, Depreciation and Amortization: $20,034,000 in 1989 and $14,943,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 65,419	$ 52,377
Short-term invest.	79,578	67,925
Accts. receiv., net	91,149	68,241
Other receivables	6,055	4,586
*Inventories	20,042	20,587
Prepaid expenses	6,407	5,826
Deferred taxes	4,407	3,978
Current Assets	$ 273,057	$ 223,520
#Fixed assets	61,856	44,364
Other assets	27,033	13,818
Total Assets	$ 361,946	$ 281,702

Liabilities
(000's)

	1989	1988
Short-term borrowings	$ 7,762	$ 4,144
Accts. payable	16,502	16,129
Income taxes pay.	15,466	11,419
Accrued payroll	15,137	10,758
Other accruals	17,312	8,651
Deferred revenues	6,980	7,418
Curr. Liabilities	$ 79,159	$ 58,519
Long-term debt	7,200	—
Deferred inc. taxes	—	1,270
Other deferrals	1,548	204
+Common stock	153,464	138,752
Retained earnings	117,967	78,350
For. curr. trans. adjust.	2,608	4,607
Total Liabilities & Shareholders' Equity	$ 361,946	$ 281,702

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Revenues	17.43	16.83
% Net Income to Revenues	11.79	11.15
% Net Income to Equity	16.35	15.13
Debt to Equity	0.05	0.02
Working Capital	$ 193,898,000	$ 165,501,000
Current Ratio	3.45	3.83
Shareholders' Equity	$ 274,039,000	$ 221,709,000

Methode Electronics, Inc.

7444 West Wilson Avenue
Chicago, Illinois 60656
(708) 867-9600
FAX: (708) 867-9130

Officers: William J. McGinley, president; William T. Jensen, executive vice president; Kevin Hayes, v.p. & treasurer; Michael G. Andre. exec. v.p.; Arnold A. Brevick, v.p.-Electrical Products Division; Raymond B. Simons, gen mgr.-Technical Components Co., Inc.; Kenneth E. Kindness, gen. mgr.-Interconnect Products Division; Joseph L. Mulcahy, v.p.-Methode Electronics, Inc.; William J. Green, v.p.-Methode Development Company; K.S. Gan, managing dir.-Methode Electronics, Far East PTE, Ltd.; Jeffery R. Vetter, gen. mgr.-Connector Division; Terry W.J. O'Brien, gen. mgr.-Lucas Methode Connectors Ltd.; James A. Robinson, pres.-Trace Instruments Co., Inc.; John A. Sider, v.p.-Bus Bar Division; George A. Smith, pres.-Trace Laboratories; Eric L. Vollmar, pres.-Graphic Research, Inc.; James M. Monahan, v.p.-Backplane Division; John R. Cannon, v.p.-Datamate Division; Robert Kuehnau, corp. controller; Jeffry Schutt, gen. mgr.-Trace Laboratories Central; Claudia J. Lazar, gen. mgr.-Trace Laboratories West; James W. McGinley, v.p.-corporate sales & marketing; Dennis L. Stalzer, vice chairman-Trace Insruments Co., Inc..

Directors: William J. McGinley, William T. Jensen, George C. Wright, Robert C. Keck, Raymond J. Roberts, William C. Croft, Kevin J. Hayes, Michael G. Andre.

Areas of Work: Develops and manufactures electronic component devices, including printed circuits, connectors, switches, busbars and back-planes, used in the production of equipment such as computers, communication systems and consumer electronic equipment. Produces automated circuit verification test equipment and performs qualification testing and certification of printed circuit boards.

Divisions and Subsidiaries:

Methode Development Company
7444 W. Wilson Avenue
Chicago, Illinois 60656
(708) 867-9600
Electronic chemicals, materials, process refinement.

Electrical Products Division
111 West Buchanan Street
Carthage, Illinois 62321
(217) 357-3941
Automotive switches and controls.

Methode Electronics, Inc. East
Printed Circuit Division
One Industrial Park, Box M
Willingboro, New Jersey 08046
(609) 871-3500
Printed circuits.

Interconnect Products Division
1700 Hicks Road
Rolling Meadows, Illinois 60008
(708) 392-3500
Interconnect systems, microcircuit sockets, devices and custom wiring harnesses.

Connector Division
7444 W. Wilson Avenue
Chicago, Illinois 60656
(708) 867-9600
Connectors-card receptable, rack and panel, punched plate, connector circuit, card panel assemblies and wire panels, plyoduct conductor cables.

Graphic Research, Inc.
9334 Mason Avenue
Chatsworth, California 91311
(213) 886-7340
Printed circuits.

Technical Components Company, Inc.
6633 W. 99th Street
Chicago Ridge, Illinois 60415
(708) 424-1900
High voltage leads and harnesses, jacks, and jack panel assemblies, and battery cables.

Trace Instruments Co., Inc.
9020 Eton Ave.
Canoga Park, California 91304
(213) 341-5593
Electronic testing equipment.

Trace Laboratories
Bus Bar Division
Backplane Division
Methode Electronics, Far East PTE, Ltd.
Lucas Methode Connectors Ltd.

Transfer Agent(s):

Continental Bank N.A.
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Methode Electronics, Inc.

Ticker Symbol: METHA and METHB (NASDAQ)

Number of Employees:

1989	1,925	1988	1,975

Plant Footage:

1989	491,000 sq. ft.	1988	450,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 122,174,934	$ 2,165,562
1988	112,686,853	5,126,740
1987	95,662,301	2,942,221
1986	95,992,692	5,864,561
1985	82,441,504	5,107,669

	No. of Com. Shares †	Earn. per Share †
1989	10,942,000	$ 0.20
1988	10,860,000	0.47
1987	10,831,000	0.27
1986	10,473,000	0.56
1985	9,260,000	0.55

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.13	—	—
1988	0.13	—	
1987	0.13	—	—
1986	0.13	—	2-for-1
1985	0.11	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 49,904,877	$ 4.56
1988	48,062,766	4.43
1987	43,000,767	3.97
1986	40,408,327	3.74
1985	27,937,042	2.92

‡ After allowing for preferred stock at par value of $100 per share.
† Adjusted to reflect stock split.

Income Account *

Year ended April 30	1989	1988
Net sales	$ 122,174,934	$ 112,686,853
Other income	592,110	626,953
Total income	$ 122,767,044	$ 113,313,806
Cost of sales	97,942,105	84,481,728
Expenses	20,573,544	20,039,887
Interest expense	685,833	565,451
Income before taxes	$ 3,565,562	$ 8,226,740
Income taxes	1,400,000	3,100,000
Net Income	$ 2,165,562	$ 5,126,740

* Included in Costs and Expenses, Depreciation and Amortization: $5,141,220 in 1989 and $4,662,975 in 1988.

Assets

As of April 30	1989	1988
Cash	$ 2,295,169	$ 2,530,391
Accts. receiv., net	17,700,407	19,119,178
*Inventories	21,829,193	18,655,036
Prepaid expenses	504,994	447,474
Current Assets	$ 42,329,763	$ 40,752,079
#Fixed assets	29,068,573	[illegible]
Other assets	2,941,339	[illegible]
Total Assets	$ 74,339,675	$ 69,618,518

Liabilities

Notes payable & long-term debt, curr.	$ 3,148,445	$ 1,994,208
Accts. payable	6,335,131	5,928,702
Accrued payroll	3,155,616	3,036,558
Accrued taxes & other exp.	3,335,503	2,632,512
Income taxes	84,251	656,089
Curr. Liabilities	$ 16,058,946	$ 14,248,069
Long-term debt:		
Bank note	1,325,000	1,745,000
Mortgage	1,935,417	1,000,685
Bldg. lease agree.	592,000	689,000
Deferred compensation	2,693,435	2,627,998
Deferred inc. taxes	1,730,000	1,145,000
+Preferred stock	100,000	100,000
++Common stock, Class A	4,788,946	4,735,268
++Common stock Class B	742.767	762,803
Stock awards	(251,696)	(219,468)
Add. paid-in capital	13,187,401	12,801,388
Retained earnings	31,367,277	29,980,347
For. curr. trans. adjust.	114,388	46,634
Treasury stock	(44,206)	(44,206)
Total Liabilities & Shareholders' Equity	$ 74,339,675	$ 69,618,518

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value, Series A, 4% cumulative convertible.
++ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.92	7.30
%Net Income to Sales	1.77	4.55
%Net Income to Equity	4.33	10.64
Sales to Inventories	5.60	6.04
Debt to Equity	0.14	0.11
Working Capital	$ 26,270.817	$ 26,504,010
Current Ratio	2.64	2.86
Shareholders' Equity	$ 50,004,877	$ 48,162,766

Metro Tel Corp.

485-13 South Broadway
Hicksville, New York 11801-5071
(516) 937-3420
FAX: (516) 937-3426

Officers: Venerando J. Indelicato, president & treasurer; Lloyd Frank, secretary.

Directors: Sheppard Beidler, Venerando J. Indelicato, Lloyd Frank, Michael Michaelson.

Areas of Work: Engaged in the manufacture of telephone test and maintenance equipment, telephone subscriber equipment, telephone power supplies and coupling units, chemically heated soldering irons, and transmission test equipment.

Subsidiary:

Buscom Systems, Inc.
Santa Clara, California
Manufactures and markets specialty telephone products.

Transfer Agents:

Registrar & Transfer Co.
10 Commerce Drive
Cranford, New Jersey
Manufactures and markets specialty telephone products.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTRO (NASDAQ)

Number of Employees:

1989	50	1986	58
1988	50	1985	69
1987	74		

Plant Footage:

1989	40,000 sq. ft.	1986	30,525
1988	40,000	1985	32,525
1987	34,700		

Sales & Earnings

	Net Sales	Net Income
1989	$ 5,441,686	$ 97,483
1988	6,295,231	66,032
1987	5,833,015	(106,372)
1986	5,489,193	320,787
1985	4,415,229	386,804

	No. of Comm Shares	Earn. per Share #
1989	2,004,046	$ 0.04
1988	2,004,046	0.02
1987	1,999,705	—
1986	1,905,183	0.16
1985	1,838,844	0.20

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.03	5%	--
1986	0.03	5%	—
1985	0.03	5%	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 2,591,242	$ 1.29
1988	2,518,959	1.26
1987	2,470,252	1.24
1986	2,649,422	1.39
1985	2,454,582	1.33

Income Account *

Year ended June 30	1989	1988
Net sales	$ 5,441,686	$ 6,295,231
Cost of sales	3,414,874	3,996,230
Expenses	1,701,548	2,048,375
Interest expense	206,185	236,124
Interest income	(12,404)	(159,530)
Income before taxes	$ 131,483	$ 174,032
Income taxes	34,000	108,000
Net Income	$ 97,483	$ 66,032

* Included in Cost and Expenses, Depreciation and Amortization: $243,231 in 1989 and $252,134 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 235,686	$ 383,663
Accts. receiv., net	709,067	879,967
*Inventories	2,318,282	2,127,203
Other receiv.	24,561	—
Prepaid expenses	26,933	16,700
Current Assets	$ 3,314,529	$ 3,407,533
#Fixed assets	474,463	637,774
Other assets	1,193,491	1,272,252
Total Assets	$ 4,982,483	$ 5,317,559

Liabilities

Long-term debt. curr.	$ 415,865	$ 428,945
Accts. payable	321,379	100,792
Accruals	152,151	191,990
Income taxes	—	149,680
Curr. Liabilities	$ 889,395	$ 871,407
Long-term debt	1,129,221	1,543,568
Deferred income taxes	12,625	23,625
+ Redeem. preferred stock	360,000	360,000
++ Common stock	50,757	50,757
Add. paid-in capital	1,896,773	1,896,773
Retained earnings	712,462	640,179
Treasury stock	(68,750)	(68,750)
Total Liabilities & Shareholders' Equity	$ 4,982,483	$ 5,317,559

* At lower of cost (weighted average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; 7% cumulative convertible.
++ $0.025 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.42	2.76
%Net Income to Sales	1.79	1.05
%Net Income to Equity	3.76	2.62
Sales to Inventories	2.35	2.96
Debt to Equity	0.60	0.78
Working Capital	$ 2,425,134	$ 2,536,126
Current Ratio	3.73	3.91
Shareholders' Equity	$ 2,591,242	$ 2,518,959

Metropolitan Circuits, Inc.

(formerly Nuclear Data, Inc.)

3232 South Fairview Street
Santa Ana, California 92704
(714) 549-2204

Officers: Richard J. Sandberg, president and chief executive officer; C. Stewart Havens, v.p.-finance & secretary; Loren G. Pieper, v.p.; Albert E. Puhlman, Jr., v.p.; John B. Brashaw, treasurer.

Directors: Richard J. Sandberg, C. Stewart Havens, Gerald W. Gaughran, Albert E. Puhlman, Jr..

Areas of Work: Manufactures multilayer printed circuit boards.

Transfer Agent(s):

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60603

Stock Exchange(s): American

Ticker Symbol: NDI

Number of Employees:

1989	N.A.	1988	650

Plant Footage:

1989	N.A.	1988	125,500 sq. ft.

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 27,394,000	$ (4,701,000)
1988	29,454,000	(6,575,000)
1987	16,711,000	(10,237,000)
1986	25,822,000	(1,590,000)
1985	38,862,000	1,926,000

	No. of Com. Shares #	Earn. per Share #
1989	2,515,000	$ —
1988	2,188,000	—
1987	1,782,000	—
1986	1,856,000	—
1985	2,015,000	0.96

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ (4,076,000)	$ —
1988	586,000	0.27
1987	4,991,000	2.80
1986	15,552,000	8.38
1985	17,703,000	8.79

(Deficiency)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	2/28/89	2/29/88
Net sales	$ 27,394,000	$ 29,454,000
Cost of sales	25,672,000	27,522,000
Expenses:		
Selling	830,000	941,000
Adm. & gen.	3,546,000	3,787,000
Interest expense	756,000	611,000
Loss - cont. oper.	$ (3,410,000)	$ (3,407,000)
Loss - discont. oper.	(1,291,000)	(3,168,000)
Net Loss	$ (4,701,000)	$ (6,575,000)

* Included in Costs and Expenses, Depreciation: $824,000 in 1989 and $834,000 in 1988.

Assets

As of	2/28/89	2/29/88
Accts. receiv., net	$ 4,382,000	$ 4,608,000
*Inventories	1,479,000	1,737,000
Prepaid expenses & sundry accts.	1,041,000	901,000
Net assets - discont. oper	4,867,000	—
Current Assets	$ 11,769,000	$ 7,246,000
#Fixed assets	3,306,000	3,863,000
Other assets	1,513,000	1,527,000
Net assets - discont. oper.	—	5,764,000
Total Assets	$ 16,588,000	$ 18,400,000

Liabilities

Notes payable & long-term debt, curr.	$ 10,250,000	$ 9,642,000
Accts. payable	3,970,000	4,267,000
Accruals	2,908,000	1,830,000
Retained liab. - disc. oper.	1,376,000	—
Redeem. common stock	187,000	—
Curr. Liabilities	$ 18,691,000	$ 15,739,000
Long-term debt	695,000	100,000
Deferred pension liab.	464,000	516,000
Redeem. common stock	—	187,000
+Common stock	1,262,000	1,255,000
Add. paid-in capital	11,252,000	11,173,000
Treasury stock	(244,000)	(41,000)
Accumulated deficit	(16,318,000)	(11,617,000)
Deferred compensation	(28,000)	(184,000)
Total Liabilities & Shareholders' Equity	$ 16,588,000	$ 18,400,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

Sales to Inventories	18.52	16.96
Debt to Equity	—	16.62
Shareholders' Equity (Deficiency)	$ (4,076,000)	$ 586,000

Micro Mask, Inc.

(The Company is a private corporation.)

695 Vaqueros Avenue
Sunnyvale, California 94086
(408) 245-7342

Officers: Joseph C. Ross, Jr., chairman of the board & president; Johnny H. Ashcraft, v.p.-finance & chief financial officer; Donald J. Holthaus, v.p. & asst. secretary; Russell W. Weiss, exec. v.p.; Victor A. Hebert, secretary; Edward C. Grady, v.p. & gen. mgr.-Photomask Division.

Directors: Joseph C. Ross, Jr., chairman; Joseph Chulick, Jr., Noel J. Fenton, Gordon E. Moore, Isaac Stein.

Areas of Work: Manufacturer of photomasks and hard surface photoplates required in the design, engineering and production of integrated circuits and semiconductors. Also manufactures high-quality Winchester disk substrates for computer memory storage and probe cards and related semiconductor equipment.

Divisions and Subsidiaries:

Micro Mask Division
Sunnyvale, California
Supplier of photomasks for the semiconductor and integrated circuit markets.

EMC Division
Azusa, California
Supplier of hard surface glass photoplates, required for manufacturing hard surface photomasks, used in the production of integrated circuits and Winchester disc substrates.

Probe Technology Corporation
Santa Clara, California
Develops, manufactures and markets high-quality probe cards and related products used to test integrated and hybid circuits.

Number of Employees:

1988	518	1985	440
1987	425	1984	420
1986	331		

Plant Footage:

1988	101,000 sq. ft.	1985	144,000
1987	101,000	1984	132,000
1986	101,000		

Sales & Earnings

	Net Sales+	Net Income ‡
1988	$ 38,043,000	$ 2,180,000
1987	28,034,000	47,000
1986	21,428,000	(4,477,000)
1985	20,666,000	(1,861,000)
1984	24,624,000	1,659,000

	No. of Com. Shares #	Earn. per Share ‡ #
1988	2,331,909	$ 0.94
1987	2,199,740	0.02
1986	2,154,689	—
1985	2,140,943	—
1984	2,128,425	0.78

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $910,000 ($0.39 per share) in 1988.
# Based on the weighted average number of common shares and, when material, common share equivalents outstanding during the period.

Common Stock Equity

		Total Equity		Equity Per Share
1988	$	13,151,000	$	5.85
1987		10,786,000		4.87
1986		10,616,000		4.91
1985		14,968,000		7.00
1984		16,837,000		7.89

Income Account *
(000's)

Year ended Sept. 30		1988		1987
Net sales	$	38,043,000	$	28,034
Cost of sales		29,955,000		22,751
Expenses		4,972,000		4,424
Gain on disp. of assets		—		(198)
Interest expense		896,000		1,010
Inc. before taxes	$	2,220,000	$	47
Income taxes		950,000		—
Net Income	$	1,270,000	$	47
Extraord. gain		910,000		—
Net Income & extraord. gain	$	2,180,000	$	47,000

* Included in Cost and Expenses, Depreciation and Amortization: $3,581,000 in 1988 and $3,688,000 in 1987.

Assets
(000's)

As of Sept. 30		1988		1987
Cash	$	632	$	679
Accts. receiv., net		5,691		4,613
*Inventories		2,665		2,381
Prepaid expenses		242		284
Current Assets	$	9,230	$	7,957
#Fixed assets		15,500		16,115
Restricted funds		—		29
Deposits & other assets		1,148		331
Note receivable		253		253
Total Assets	$	26,131	$	24,685

Liabilities
(000's)

		1988		1987
Note payable	$	2,800	$	2,400
Long-term debt & cap. lease oblig., curr.		2,177		1,964
Accts. payable		1,661		1,688
Accrued payroll		940		649
Other curr. liab.		363		458
Curr. Liabilities	$	7,941	$	7,159
Long-term debt		3,986		5,493
Cap. lease oblig.		851		1,045
Deferred inc. taxes		202		202
+ Common stock		2,247		2,213
Add. paid-in capital		3,819		3,668
Retained earnings		7,085		4,905
Total Liabilities & Shareholders' Equity	$	26,131	$	24,685

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

		1988		1987
%Income bef. Taxes to Sales		5.84		0.17
%Net Income to Sales		3.34		0.17
%Net Income to Equity		9.66		0.44
Sales to Inventories		14.28		11.77
Debt to Equity		0.75		1.01
Working Capital	$	1,289,000	$	798,000
Current Ratio		1.16		1.11
Shareholders' Equity	$	13,151,000	$	10,786,000

Microdyne Corporation

P.O. Box 7213

491 Oak Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4633
FAX: (904) 687-3392

Officers: Kenneth G. Harple, president & chief executive officer; Donald L. Feller, exec. v.p. & secretary; Hank S. Lin, v.p.; Charles R. Brewer, v.p.-corporate sales; Eugene R. Day, v.p., treasurer, asst. secretary & chief financial officer; Richard B. Elsea, v.p.-marketing; David L. Alvarez, v.p.-sales administration; William M. Lennox, v.p.-government products; William S. Holderby, v.p.-communications systems; George A. Bell, v.p.-marketing; Ronald S. Posner, v.p.-Antennas and Radomes Profit Center.

Directors: Carl N. Singer, Donald L. Feller, Michael S. Balbes, Robert P. Adelman, Carl H. Cahill, Sean Boland, Kenneth G. Harple, Robert L. Cantor.

Areas of Work: The Company's operations are divided into three business groups: Government Products, Communication Systems, and Antennas and Radomes. Government products markets telemetry receivers used to receive data being sent from orbiting satellites, missiles and developmental aircraft. Communications systems provides system design, integration and maintenance services to a broad spectrum of customers who require satellite, fiber optic, or microwave communication. Antennas and Radomes produces various types of antennas for use in satellite and microwave relay systems.

Divisions and Subsidiaries:

Telemetry Division
Satellite Communications Division
Systems Division

Antennas for Communications, Inc.
344 Cypress Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4121

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MCDY (NASDAQ)

N. A. - Not Available.

Sales & Earnings

		Net Sales †		Net Income #
1989	$	19,641,273	$	551,665
1988		19,044,199		(940,884)
1987		19,178,000		(1,842,362)
1986		24,734,000		(6,029,017)
1985		26,427,000		558,195

	No. of Com. Shares		Earn. per Share # +
1989	4,081,695	$	0.13
1988	4,081,445		—
1987	4,181,445		—
1986	4,492,648		—
1985	4,527,648		0.12

(Loss)
† Of continuing operations only.
# Including extraordinary gain of $201,481 ($0.05 per share) in 1989.
+ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

		1989		1988
Communication systems	$	4,261,000	$	5,015,000
Telemetry		13,692,000		11,838,000
Antennas & radomes		1,688,000		2,191,000
Total	$	19,641,000	$	19,044,000

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1989	$	—	—	—
1988		—	—	
1987		0.06	—	—
1986		0.06	—	—
1985		0.06	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	23,454,362	$	5.75
1988		22,901,822		5.61
1987		24,163,788		5.78
1986		27,325,439		6.08
1985		33,768,032		7.46

Income Account *

Year ended		10/29/89		10/30/88
Net sales	$	19,641,273	$	19,044,199
Cost of sales		15,390,109		15,745,192
Writedown for disc. prods.		—		836,006
Plant relocation exp.		—		275,000
Expenses		4,300,101		3,744,329
Interest income		(659,561)		(481,961)
Interest expense		58,959		75,020
Inc. (loss) bef. taxes	$	551,665	$	(1,149,387)
Income taxes		201,481		—
Inc. (loss)-cont. oper.	$	350,184	$	(1,149,387)
Inc. - discont. oper.		—		208,503
Net Income (Loss)	$	350,184	$	(940,884)
Extraord. gain		201,481		—
Net Income (Loss) & extraord. gain	$	551,665	$	(940,884)

* Included in Costs and Expenses, Depreciation: $933,505 in 1989 and $921,859 in 1988.

Assets

As of		10/29/89		10/30/88
Cash & cash equiv.	$	7,642,769	$	5,048,445
Short-term invest.		500,000		1,903,257
Accts. receiv., net		5,784,918		5,994,039
*Inventories		6,841,796		7,595,816
Prepaid expenses		114,695		137,526
Current Assets	$	20,884,178	$	20,679,083
#Fixed assets		4,905,594		4,521,912
Market. securities		241,875		241,875
Other assets		264,048		270,965
Total Assets	$	26,295,695	$	25,713,835

Liabilities

		10/29/89		10/30/88
Notes payable	$	84,349	$	84,157
Accts. payable		945,912		855,441
Accrued payroll		177,056		157,581
Accrued vacations		349,736		311,209
Customer deposits		19,849		12,278
Other accruals		657,541		700,108
Curr. Liabilities	$	2,234,443	$	2,120,774

Long-term debt	606,890	691,239
+Common stock	455,790	455,765
Add. paid-in capital	20,354,468	20,353,618
Retained earnings	4,526,198	3,974,533
Treasury stock	(1,882,094)	(1,882,094)
Total Liabilities & Shareholders' Equity	$ 26,295,695	$ 25,713,835

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.81	—
%Net Income to Sales	1.78	—
%Net Income to Equity	1.49	—
Sales to Inventories	2.87	2.51
Debt to Equity	0.03	0.03
Working Capital	$ 18,649,735	$ 18,558,309
Current Ratio	9.35	9.75
Shareholders' Equity	$ 23,454,362	$ 22,901,822

Micropolis Corporation

21211 Nordhoff Street
Chatsworth, California 91311
(818) 709-3300
FAX: (818) 709-3396

Officers: Stuart P. Mabon, chairman of the board & president; Ericson M. Dunstan, sr. v.p.-corporate engineering & secretary; Chester Baffa, sr. v.p.-marketing & sales; Barry L. Kasarda, v.p.-materials; Terrence Ostridge, v.p.-sales; A.T.M. Robertson, v.p.-engineering; Robert G. Wallstrom, sr. v.p.-operations; Dale J. Barton, v.p.-finance & chief financial officer; Lin-Hong Wong, v.p.-Singapore operations; David L. Bultman, v.p.-product programs; Richard J. Decker, v.p.-management information systems; Barbara V. Scherer, treasurer.

Directors: Stuart P. Mabon, chairman; Ericson M. Dunstan, J. Burgess Jamieson, Theodore J. Smith.

Areas of Work: Designs and manufactures high-performance disk drives and markets these drives to original equipment manufacturers and distributors. The company's principal products are Winchester drives with high capacity, fast access, and low lifetime cost.

Subsidiaries:

Micropolis S.r.L.
Via G. Stephenson 4/A
20157 Milan, Italy
(39) 233200635

Micropolis GmbH
Behringstr. 10
8033 Planegg bei Munchen
West Germany

Micropolis SARL
2 rue du Buisson aux Fraises
Z.I de la Bonde
91300 Massy, France

Micropolis Scandinavia
Alpvagen 10, Box 20117
16102 Bromma, Sweden

Micropolis Corporation (Thailand) Ltd
733/3-6 Phaholyothin Road
Lumlookar Pathumthani 12130, Thailand

Micropolis Limited

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MLIS (NASDAQ)

Number of Employees:

1989	3,200	1987	N.A.
1988	3,198	1986	1,792

Plant Footage:

1989	432,000 sq. ft.	1987	N.A.
1988	432,000	1986	220,000

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 307,334,000	$ (49,766,000)
1988	353,057,000	(19,407,000)
1987	288,256,000	27,240,000
1986	213,135,000	18,250,000
1985	94,895,000	2,777,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	11,552,000	$ —
1988	11,464,000	—
1987	11,335,000	2.40
1986	10,585,000	1.72
1985	9,350,000	0.30

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 71,850,000	$ 6.22
1988	121,151,000	10.57
1987	139,317,000	12.29
1986	110,719,000	10.46
1985	63,689,000	6.81

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/29/89	12/30/88
Net sales	$ 307,334	$ 353,057
Cost of sales	308,806	321,238
Expenses:		
Res. & develop.	23,439	28,386
Selling, gen. & adm.	25,148	21,749
Prov. for prod. discont.	3,100	—
Interest expense	6,391	1,815
Loss bef. taxes	$ (59,550)	$ (20,131)
Tax credit	(9,784)	(724)
Net Loss	$ (49,766)	$ (19,407)

* Included in Costs and Expenses, Depreciation and Amortization: $22,872,000 in 1989 and $14,683,000 in 1988.

Assets
(000's)

As of	12/29/89	12/30/88
Cash	$ 8,970	$ 14,940
Accts. receiv., net	62,739	72,861
*Inventories	62,534	112,440
Other curr. assets	9,222	9,199
Current Assets	$ 143,465	$ 209,594
# Fixed assets	71,221	87,536
Other assets	2,209	3,272
Total Assets	$ 216,895	$ 300,402

Liabilities

Note payable	$ 12,500	$ 15,000
Accts. payable	41,003	63,649
Accrued payroll	2,576	4,093
Other accruals	7,384	4,778
Income taxes	525	10,674
Curr. Liabilities	$ 63,988	$ 98,194
Convert. subord. deben.	75,000	75,000
Deferred inc. taxes	6,057	6,057
+Common stock	11,578	11,493
Add. paid-in capital	76,006	75,626
Retained earnings (deficit)	(15,734)	34,032
Total Liabilities & Shareholders' Equity	$ 216,895	$ 300,402

* At lower of cost (standard) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	4.91	3.14
Debt to Equity	1.22	0.74
Working Capital	$ 79,477,000	$ 111,400,000
Current Ratio	2.24	2.13
Shareholders' Equity	$ 71,850,000	$ 121,151,000

Microsemi Corporation

2830 South Fairview Street
Santa Ana, California 92704
(714) 979-8220
FAX: (714) 557-5989

Officers: Philip Frey, Jr., chairman of the board, president & chief exec. officer; Richard L. Geiger, vice chairman of the board; Jiri Sandera, v.p.-engineering; David R. Sonksen, v.p.-finance, chief financial officer, treasurer & secretary.

Directors: Richard L. Geiger, chairman; Philip Frey, Jr., Lester Kilpatrick, Jiri Sandera, Fred Burns, Brad Davidson, Norman Neumann.

Areas of Work: The Company designs and manufactures a broad line of discrete semiconductors, and microelectronic hybrid and surface mount assemblies, and provides hi-rel screening and testing services, principally for military, aerospace, medical, computer, telecommunications and other electronics markets. Major products are silicon rectifiers, zener diodes, low-leakage and high-voltage diodes, temperature-compensated zener diodes and a family of subminiature high-power transient suppressor diodes.

Subsidiaries:

Microsemi (H.K.) Ltd.
Hong Kong
Manufacturer of semiconductor products.

Microsemi Corp.- Scottsdale
Scottsdale, Arizona

Semcon Electronics Pvt. Ltd.
Bombay, India

Microcap, Inc.
San Diego, California
Manufacture of multilayer ceramic capacitors.

Bikor Corporation
Torrance, California
Manufactures power supplies for the telecommunications industry.

Omni Technology Corporation
San Jose, California
Screens and tests components.

Salem Scientific, Inc.
Beverly, Massachusetts
Distributes specialty semiconductor dice.

Microsemi Corp. - Colorado
Golden, Colorado
Manufactures and markets power semiconductors.

Surface Mounted Technology Corporation (82% owned)
San Jose, California
Manufactures surface mounted printed circuit board assemblies.

General Microcircuits, Inc.
Mooresville, North Carolina
Manufactures surface mounted printed circuit board assemblies.

Distributed Microtechnology, Inc.
Orange, California
Distributes hi-red semiconductors and also provides added value testing and screening services.

Acquisitions:

Microsemi Assembly & Test, Inc.
Riverside, California
Screens and tests Components.

Micro Quality Semiconductors, Inc.
Garland, Texas
Manufactures Diodes.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSCC (NASDAQ)

Number of Employees:

1989	1,728	1986	1,120
1988	2,417	1985	1,120
1987	1,411		

Plant Footage:

1989	707,790 sq. ft.	1986	208,000
1988	646,215	1985	208,000
1987	668,804		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income #
1989	$ 103,539,000	$ (8,371,000)
1988*	83,708,000	2,973,000
1987	46,821,000	5,310,000
1986	38,742,000	5,475,000
1985	34,578,000	4,046,000

	No. of Com. Shares ‡	Earn. per Share #‡
1989	7,568,000	$ —
1988*	8,611,000	0.35
1987	9,220,000	0.58
1986	8,588,000	0.64
1985	7,856,000	0.52

(Loss)
* 53 weeks.
# Including extraordinary gains of $514,000 in 1989 and $493,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.06	—	—
1986	—	—	—
1985	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 21,192,000	$ 2.80
1988	32,112,000	3.73
1987	37,076,000	4.02
1986	33,360,000	3.88
1985	17,301,000	2.20

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	10/1/89 (53 weeks)	10/2/88
Net sales	$ 103,539,000	$ 83,708,000
Cost of sales	78,971,000	59,446,000
Expenses	19,012,000	17,364,000
Amort. of goodwill	1,453,000	1,159,000
Interest expense	792,000	3,814,000
Interest income	(268,000)	(1,182,000)
Est. loss of dispositions	8,924,000	—
Writeoff of goodwill	1,035,000	—
Writedown of invest. in affil.	450,000	—
Reserve on notes receiv.	1,200,000	—
Other expense (income)	149,000	(678,000)
Inc. (loss) bef. taxes	$ (12,179,000)	$ 3,765,000
Income taxes (credit)	(4,094,000)	2,483,000
Minority interest	—	(1,271,000)
Eq. in loss - unconsol. affil.	800,000	73,000
Net Income (Loss)	$ (8,885,000)	$ 2,480,000
Extraord. gain	514,000	493,000
Net Income (Loss) & extraord. gain	$ (8,371,000)	$ 2,973,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,098,000 in 1989 and $5,467,000 in 1988.

Assets

As of	10/1/89	10/2/88
Cash	$ 1,837,000	$ 1,943,000
Marketable securities	17,000	355,000
Accts. receiv., net	17,482,000	15,152,000
Refund. inc. taxes	2,018,000	—
*Inventories	30,887,000	27,274,000
Net assets of dispositions	9,657,000	—
Deferred income taxes	5,546,000	1,385,000
Other curr. assets	1,037,000	2,342,000
Current Assets	$ 68,481,000	$ 48,451,000
#Fixed assets	32,069,000	37,590,000
Other assets	8,737,000	17,578,000
Total Assets	$ 109,287,000	$ 103,619,000

Liabilities

Notes payable	$ 17,368,000	$ 3,380,000
Long-term debt, curr.	2,635,000	921,000
Accts. payable & accruals	11,165,000	12,174,000
Reserve for loss on dispos.	6,490	—
Income taxes	—	1,035,000
Curr. Liabilities	$ 37,658,000	$ 17,510,000
Long-term debt	47,565,000	50,770,000
Def. income taxes	2,191,000	—
Other liabilities	681,000	506,000
Minority interest	—	1,421,000
Redeem. pref. stock	—	1,300,000
+Common stock	1,501,000	1,577,000
Add. paid-in capital	14,239,000	14,947,000
Retained earnings	5,452,000	15,588,000
Total Liabilities & Shareholders' Equity	$ 109,287,000	$ 103,619,000

* At lower of cost (FIFO) or market; Scottsdale, AZ. inventory at LIFO.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.93
%Net Income to Sales	—	2.96
%Net Income to Equity	—	7.72
Sales to Inventories	3.35	3.07
Debt to Equity	3.19	1.71
Working Capital	$ 30,823,000	$ 30,941,000
Current Ratio	1.82	2.77
Shareholders' Equity	$ 21,192,000	$ 32,112,000

Microwave Filter Company, Inc.

6743 Kinne Street
East Syracuse, New York 13057
(315) 437-3953
FAX: (315) 463-1467

Officers: Carson Buck, chairman; Glyn Bostick, president; Emily Bostick, exec. v.p., corp. secretary & director of sales; Alice Berry, v.p. & director of employee development; Richard L. Jones. v.p. & treasurer; Robert Portmess, v.p.-manufacturing.

Directors: Carson Buck, chairman of the board; Glyn Bostick, Emily Bostick, Trudi Berwick Artini, Michael Chiappone, Henry Cramer, Edward Dietrich, Frederick Dix, William J. Fraser, Louis Misenti, David Robinson.

Areas of Work: Designs and manufactures microwave components and integrated microwave assemblies and systems for use in electronic communications industries, including cable television, satellite communications, microwave communications (including defense electronics), personal communications (amateur radio), and radio frequency electronics.

Subsidiary:

Microwave Filter International, Ltd.
Foreign sales corporation.

Acquisition:

Niagara Scientific, Inc.
Manufactures environmental monitoring equipment and industrial automation equipment.

Transfer Agent(s):

Microwave Filter Company, Inc.
East Syracuse, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MFCO (NASDAQ)

Plant Footage:

1989	24,000 sq.ft.	1987	24,000
1988	24,000	1986	24,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 5,793,034	$ 463,113
1988	5,271,580	418,117
1987	4,647,900	322,426
1986	5,301,012	234,549
1985	5,032,572	393,310

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,496,375	$ 0.19
1988	2,485,485	0.17
1987	2,481,990	0.13
1986	2,473,648	0.09
1985	2,459,652	0.16

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.07	—	—
1988	—	5%	
1987	—	5%	—
1986	—	5%	—
1985	—	1.5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 2,958,406	$ 1.19
1988	2,657,724	1.07
1987	2,235,169	0.90
1986	1,901,706	0.77
1985	1,630,876	0.66

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Sept. 30	1989	1988
Net sales	$ 5,793,034	$ 5,271,580
Cost of sales	3,198,207	2,580,827
Expenses	1,927,958	2,090,760
Rental income	(26,010)	(52,020)
Other income	(25,875)	(23,327)
Interest income	(43,456)	(33,698)
Interest expense	45,981	45,350
Income before taxes	$ 716,229	$ 663,688
Income taxes	253,116	245,571
Net Income	$ 463,113	$ 418,117

* Included in Costs and Expenses. Depreciation: $229,085 in 1989 and $185,428 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 59,283	$ 40,552
Cert. of deposit	404,673	473,474
Accts. receiv, net	743,834	728,617
*Inventories	1,063,805	1,039,367
Prepaid expenses	77,758	73,710
Current Assets	$ 2,349,353	$ 2,355,720
#Fixed assets	2,072,316	1,584,860
Other assets	10,639	7,704
Total Assets	$ 4,432,308	$ 3,948,284

Liabilities

	1989	1988
Notes payable	$ 4,881	$ 18,177
Cap. lease oblig., curr.	61,927	55,859
Accts. payable	438,995	220,747
Accrued payroll	219,461	199,208
Accrued inc. taxes	5,813	26,947
Accrued profit-sharing	31,925	40,000
Curr. Liabilities	$ 763,002	$ 560,938
Cap. lease oblig.	448,982	510,975
Deferred comp.	76,829	57,629
Deferred inc. taxes	185,089	161,018
+Common stock	249,845	248,761
Add. paid-in capital	1,288,430	1,277,236
Retained earnings	1,424,220	1,135,816
Treasury stock	(4,089)	(4,089)
Total Liabilities & Shareholders' Equity	$ 4,432,308	$ 3,948,284

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.36	12.59
%Net Income to Sales	7.99	7.93
%Net Income to Equity	15.65	15.73
Sales to Inventories	5.45	5.07
Debt to Equity	0.17	0.22
Working Capital	$ 1,586,351	$ 1,794,782
Current Ratio	3.08	4.20
Shareholders' Equity	$ 2,958,406	$ 2,657,724

Milgray Electronics, Inc.

77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-9800
FAX: (516) 752-9870

Officers: Herbert S. Davidson, president; Richard Hyman, exec. v.p. & v.p.-sales/marketing; Herschel M. Weinberg, secretary; John R. Tortorici, v.p.-finance, treasurer & asst. secretary; Gary Adams, regional v.p.-sales; Darren O'Donnell, v.p.-marketing; Steven Sokoloff, v.p.-marketing; Elliott Stevens, regional v.p.-sales; Thomas Woolf, regional v.p.-sales; Elio Carlino, controller.

Directors: Herbert S. Davidson, Robert G. Davidoff, Richard Hyman, Herschel M. Weinberg.

Areas of Work: Engaged in the distribution of electronic components produced by a large number of manufacturers. Items sold consist principally of semiconductors, electromechanical devices (relays and electronic hardware) and capacitors.

Divisions and Subsidiaries:

Milgray/Cleveland, Inc.
6155 Rockside Road
Cleveland, Ohio 44131
(216) 447-1520

Milgray/Florida, Inc.
1850 Lee Road, Suite 104
Winter Park, Florida 32789
(407) 647-5747

Milgray/Houston, Inc.
12919 Southwest Freeway
Stafford, Texas 77477
(713) 240-5360

Milgray/International, Inc./Milgray Electronics AG
77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-9800

Milgray Electronics, Inc.
30 West Drive
Brighton, Sussex BN2 2GE, England

7320 Goeppingen,
West Germany

Neuengasse 19
Biel, Switzerland

Milgray/Delaware Valley, Inc.
3001 Greentree Executive Campus
Marlton, New Jersey 08053
(609) 983-5010

Milgray/Atlanta
3000 Northwoods Parkway
Norcross, Georgia 30071
(404) 446-9777

Migray/Orange County, Inc.
16 Technology Drive
Irvine, California 92718

Milgray/Kansas City, Inc.
6400 Glenwood
Overland Park, Kansas 66202
(913) 236-8800

Milgray/New Jersey, Inc.
1055 Parsippany Boulevard
Parsippany, New Jersey 07054
(201) 335-1766

Milgray/New York, Inc.
77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 391-3000

Milgray/Upstate New York
1170 Pittsford-Victor Road
Pittsford, New York 14534
(716) 381-9700

Milgray/Washington, Inc.
9801 Broken Land Parkway
Columbia, Maryland 21046
(301) 995-6169

Migray/Raleigh, Inc.
2925 Huntleigh Drive
Raleigh, North Carolina 27604
(919) 790-8094

Birnbach Co., Inc.
81 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-0400

Milgray/Connecticut
326 West Main Street
Milford, Connecticut 06460
(203) 878-5538

Milgray/Chicago, Inc.
323 North Wilke Road
Arlington Heights, Illinois 60004
(312) 253-1212

Milgray/Dallas, Inc.
16610 North Dallas Parkway
Dallas, Texas 75248
(214) 248-1603

Milgray/California, Inc.
912 Pancho Road
Camarillo, California 93010

Milgray/New England, Inc.
187 Ballardvale Street
Wilmington, Massachusetts 01887
(617) 657-5900

Milgray/Toronto, Inc.
150 Consumers Road
Willowdale, Ontario M2J 1p9 Canada
(416) 756-4481

Milgray/Utah, Inc.
4190 South Highland Drive
Salt Lake City, Utah 84124
(801) 272-4999

Milgray Electronics/P.R., Inc.
Calle #1, Carr. 188
Canovanas 00629 Puerto Rico
(809) 876-8200

Transfer Agent(s):

Registrar and Transfer Co.
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MGRY

Number of Employees:

1989	360	1986	300
1988	380	1985	280
1987	330		

Plant Footage:

1989	80,000 sq. ft.	1986	80,000
1988	80,000	1985	80,000
1987	80,000		

Milgray Electronics, Inc.

Sales & Earnings

	Net Sales	Net Income
1989	$ 100,696,000	$ 1,439,357
1988	97,072,958	2,281,485
1987	73,797,920	$ 851,628
1986	62,004,437	175,738
1985	57,533,211	616,352

	No. of Com. Shares	Earn. per Share ‡
1989	778,690	$ 1.85
1988	778,690	2.93
1987	778,690	1.09
1986	778,690	0.23
1985	778,690	0.79

‡ Based on the weighted average number of common shares outstanding during each period.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 15,320,074	$ 19.67
1988	13,880,717	17.83
1987	11,599,237	14.90
1986	10,747,609	13.80
1985	10,571,871	13.58

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 100,696,999	$ 97,072,958
Cost of sales	75,292,026	70,447,456
Expenses	22,375,165	21,693,114
Interest expense	1,211,465	901,943
Income before taxes	$ 1,818,343	$ 4,030,445
Income taxes	378,986	1,748,960
Net Income	$ 1,439,357	$ 2,281,485

* Included in Costs and Expenses, Depreciation and Amortization: $250,920 in 1989 and $229,688 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 1,948,915	$ 2,077,270
Accts. receiv., net	11,573,034	11,464,992
*Inventories	21,463,051	18,567,436
Prepaid expenses & sundry expenses	425,970	260,929
Deferred inc. taxes	52,418	—
Current Assets	$ 35,463,388	$ 32,370,627
#Fixed assets	2,627,862	2,521,405
Other assets	151,989	218,507
Total Assets	$ 38,243,239	$ 35,110,539

Liabilities

Long-term debt, curr.	$ 111,097	$ 120,884
Demand loans	766,730	399,430
Accts. payable	7,317,167	6,666,126
Accruals & sundry liabilities	2,038,570	2,491,101
Inc. taxes payable	483,699	1,109,920
Def. income taxes	—	240,729
Curr. Liabilities	$ 10,717,263	$ 11,028,190
Long-term debt	12,029,037	9,889,947
Deferred income taxes payable	176,865	311,685
+Common stock	200,003	200,003
Add. paid-in capital	26,675	26,675
Retained earnings	15,143,961	13,704,604
Treasury stock	(50,565)	(50,565)
Total Liabilities & Shareholders' Equity	$ 38,243,239	$ 35,110,539

* At lower of cost (moving average) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.81	4.15
%Net Income to Sales	1.43	2.35
%Net Income to Equity	9.40	16.44
Sales to Inventories	4.69	5.23
Debt to Equity	0.84	0.75
Working Capital	$ 14,746,125	$ 21,342,437
Current Ratio	3.31	2.94
Shareholders' Equity	$ 15,320,074	$ 13,880,717

Milton Roy Company

Suite 900, 111 Second Avenue N.E.
P.O. Box 12169
St. Petersburg, Florida 33733-2169
(813) 823-4444
FAX: (813) 821-9127

Officers: Richard E. Schmidt, chairman & president; W. Barry Gilbert, v.p.; Stephen G. Matthews, v.p.; Douglas J. Bingler, v.p.; Jean-Claude Degremont, v.p.-international; John M. McNamara, v.p.-finance & secretary; Darrell N. Clark, v.p.-human resources; Eileen L. Cole, asst. secretary; J. Ronald Moore, v.p. & controller; Luis E. Leon, treasurer.

Directors: Dan L. McGurk, Edmund H. Damon, Raymond L. Jewett, John P. Horgan*, John T. Subak*, Robert F. Murphy, Albert R. Snider, Richard E. Schmidt*, Jean-Claude Degremont.

* Member of the Executive Committee

Areas of Work: Manufactures and markets instruments and systems for metering, analyzing and controlling liquids and gases.

Divisions and Subsidiaries:

Analytical Instruments Group
High performance liquid chromatography components and systems, mass spectrometers, spectrophotomers, laser light scattering instruments, image and color analyzers, diffraction gratings.

Analytical Products
Rochester, New York

Process and Environmental Instruments Division
Orange, California

Milton Roy K.K.
Tokyo, Japan

Milton Roy (Belgium) N.V.
Oostende, Belgium

Milton Roy (Hong Kong) Ltd.
Quarry Bay, Hong Kong

Fluid Control Group
Controlled volume pumps; water quality systems; engineered chemical feed systems; special purpose centrifugal pumps; electronic actuators.

Hartell Division
Ivyland, Pennsylvania

Flow Control Division
Ivyland, Pennsylvania

Milton Roy Industries, Inc.
Peterborough, Ontario, Canada

Dosapro-Milton Roy S.A.
Pont-Saint-Pierre, France

Dosapro-Milton Roy Iberica S.A.
Madrid, Spain

Dosapro-Milton Roy S.P.A.
Milan, Italy

Dosapro-Milton Roy GmbH
Obertshausen, West Germany

Dosapro-Milton Roy (UK) Ltd.
Wokingham, England

LMI Milton Roy
Shannon, Ireland

Liquid Metronics Incorporated
Acton, Massachusetts
Manufactures low pressure/low flow rate metering pumps.

Acquisitions:

Automated Custom Systems Incorporated
Orange, California
Engaged in the production and distribution of automotive emissions testing equipment and analytical instrumentation used for environmental monitoring.

Environmental Testing Company of Aurora
Aurora, Colorado

Transfer Agent(s):

Mellon Bank (East) N.A.
Stock Transfer Division
P.O. Box 444
Pittsburgh, Pennsylvania 15230-0444
(412) 236-8000

Stock Exchange(s): New York

Ticker Symbol: MRC

Number of Employees:

1989 1,029
1988 1,250
1987 1,261
1986 1,433
1985 1,526

Plant Footage:

1989 .... 543,500 sq. ft.
1988 557,997
1987 545,211

Sales & Earnings

	Net Sales	Net Income
1989	$ 125,398,000	$ 8,634,000
1988	140,715,000	5,686,000
1987	126,804,000	4,303,000
1986	126,909,000	(5,440,000)
1985	107,629,000	674,000

	No. of Com. Shares	Earn. per Share #
1989	5,815,000	$ 1.52
1988	5,612,000	1.06
1987	5,360,000	0.82
1986	5,333,000	—
1985	5,269,000	0.13

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Analytical instruments group	$ 33,797	$ 55,223
Fluid control group	91,601	85,492
Total	$ 125,398	$ 140,715

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.46	—	—
1988	0.44	—	
1987	0.44	—	—
1986	0.44	—	—
1985	0.43	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 52,466,000	$ 9.02
1988	44,947,000	8.01
1987	39,337,000	7.34
1986	33,710,000	6.32
1985	40,194,000	7.63

x Restated.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 125,398,000	$ 140,715,000
Cost of sales	69,567,000	77,634,000
Expenses:		
Market. & adm.	37,676,000	42,927,000
Res., develop. & eng.	7,539,000	9,100,000
Gain on sale of prod. line	(4,311,000)	—
Interest expense	1,815,000	2,986,000
Other income	(1,278,000)	(978,000)
Income bef. taxes	$ 14,390,000	$ 9,046,000
Income taxes	5,756,000	3,360,000
Net Income	$ 8,634,000	$ 5,686,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,633,000 in 1989 and $4,954,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 20,815,000	$ 4,118,000
Short-term invest.	2,000,000	—
Accnts. & notes receiv.	28,594,000	30,811,000
*Inventories	19,829,000	25,770,000
Prepaid expenses	808,000	765,000
Deferred inc. taxes	763,000	933,000
Current Assets	$ 72,809,000	$ 62,397,000
#Fixed assets	19,517,000	24,304,000
Project funds	—	603,000
Notes receiv. & other assets	3,640,000	3,184,000
Intangibles	3,567,000	3,944,000
Total Assets	$ 99,533,000	$ 94,432,000

Liabilities

Notes payable	$ 4,227,000	$ 5,452,000
Long-term debt, curr.	2,214,000	2,458,000
Accts. payable & accruals	23,876,000	22,600,000
Income taxes	2,074,000	3,184,000
Curr. Liabilities	$ 32,391,000	$ 33,694,000
Long-term debt	13,623,000	14,219,000
Deferred inc. taxes	336,000	372,000
Other liab.	717,000	1,200,000
+Common stock	5,815,000	5,612,000
Add. paid-in capital	9,950,000	8,129,000
For. curr. trans.	901,000	1,419,000
Retained earnings	35,800,000	29,787,000
Total Liabilities & Shareholders' Equity	$ 99,533,000	$ 94,432,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.48	6.43
%Net Income to Sales	6.89	4.04
%Net Income to Equity	16.46	12.65
Sales to Inventories	4.87	5.46
Debt to Equity	0.38	0.49
Working Capital	$ 40,418,000	$ 28,703,000
Current Ratio	2.25	1.85
Shareholders' Equity	$ 52,466,000	$ 44,947,000

Minnesota Mining and Manufacturing Company

3M Center
St. Paul, Minnesota 55144-1000
(612) 733-1110
FAX: (612) 733-9973

Officers: Allen F. Jacobsen, chairman of the board & chief executive officer; L.D. DeSimone, exec. v.p.-Information & Imaging Technologies Sector; Allan J. Huber, exec. v.p.-Commercial & Consumer Sector; M. J. Monteiro, exec. v.p.-international operations; Jerry E. Robertson, exec. v.p.-Life Sciences Sector; L. James Schoenwater, controller; Stanley W. Thiele, sr. v.p.-administrative services; Darrell H. Boyd, v.p.-Audio Visual and Commerical Graphics; James J. Stronge, v.p.-Automotive Systems Group; Russell J. McNaughton, v.p.-Electro Products Group; William E. Coyne, v.p.-Medical Products Group; Charlton Dietz, sr. v.p.-legal affairs & general counsel; Harry A. Hammerly, exec. v.p.-Industrial & Electronic Sector; Douglas R. Hanson, v.p.-Asia-Pacific-Canada; George L. Hegg, v.p.-Strategic Planning Services; Lester C. Krogh, sr. v.p.-research & development; Joseph L. Kuhn, sr. v.p.-Engineering, Quality & Manufacturing Svcs.; Carl A. Kuhrmeyer, v.p.-administration; Sidney M. Leahy, v.p.-Chemicals, Film & Allied Products Group; Ronald A. Mitsch, v.p.-Traffic and Personal Safety Products Group; J. Marc Adam, v.p.-Consumer Products Group; Harry C. Andrews, v.p.-Information Systems Group; Lawrence E. Eaton, v.p.-Memory Technologies Group; Ronald O. Baukol, v.p.- Pharmaceutical & Dental Products Group; Gerald D. Pint, v.p.-Telecom Systems Group; John T. Myser, group v.p.-Commercial Markets Group; Donn R. Osmon, group v.p.-Traffic & Personal Safety Products Group; Roger W. Roberts, sr. v.p.-finance; Benjamin L. Shely, v.p.-Imaging Systems Group; Thomas P. Skoog, v.p.-Advertising Services Group; Christopher J. Wheeler, v.p.-human resources; Joseph M. Warren, v.p.-Europe; Arlo D. Levi, v.p. & secretary; JoAnn J. Bohne, asst. secretary; Walter N. Kirn, asst. secretary; Roger P. Smith, asst. secretary; Dwight A. Peterson, treasurer; Stephen J. Rowley, asst. secretary.

Directors: Charlton Dietz*, Lewis W. Lehr, Lee L. Morgan, Allen E. Murray, John G. Ordway, Jr., Norma T. Pace, Peter G. Peterson, J. Alexander McMahon, Allen F. Jacobson*, Edward A. Brennan, L. D. DeSimone*, Allan J. Huber*, M. J. Monteiro*, F. Alan Smith, Rozanne L. Ridgway.

* Member of the Executive Committee

Areas of Work: The Company's operations are organized into four sectors: Industrial and Electronic; Information and Imaging Technologies; Life Sciences; and Commerical and Consumer.

Operating Units:

INDUSTRIAL AND ELECTRONIC

Principal products include pressure-sensitive tapes; coated abrasives; low-density abrasives; adhesives, coatings and sealants; fluorochemicals; specialty films and chemicals; roofing granules; fastening systems; floor pads; floor maintenance products; non-slip surfacing materials; advanced ceramic materials; energy control products; decorative marking films; tape dispensing/application equipment; electric/electronic connectors; wiring and cabling products; insulating and conductive materials; flame-retardant materials; shielding and protective products; test and measuring products; and fiber-optic products and systems.
Chemicals, Film and Allied Products Group
Electro-Telecommunications Group
Tape and Automotive Group
Abrasives, Cleaning Products and Industrial Minerals Group

INFORMATION AND IMAGING TECHNOLOGIES

Principal products include lithographic plates and films; color proofing systems; photographic films; x-ray films and screens; overhead projection systems; graphic film materials; digital image processing systems; micrographic products; audio, video and computer tapes; diskettes and data cartridges; dry silver films; and laser-based optical media.
Imaging Systems Group
Memory Technologies Group
Audio Visual and Commercial Graphics Group
Information Systems Group

LIFE SCIENCES

Principal products include disposable diaper closures; garment insulation and specialty fabrics; respiratory protection products; traffic control materials and systems; surveillance and monitoring devices; security films; filtration systems; optical components; pharmaceuticals; surgical drapes and masks; tapes and dressings; wound closures; vision care products; casting materials; powered surgical instruments; dental materials; orthodontic products; electrodes; heart-lung machines; oxygenators; intravenous infusion systems; drug-delivery components; infection control products; electronic pain control devices; animal care products; diagnostic products; health information systems; surgical prepping solutions; skin and internal staplers; and stethoscopes.
Traffic and Personal Safety Products Group
Medical Products Group
Pharmaceutical and Dental Products Group

COMMERCIAL AND CONSUMER

Principal products include household cleaning devices; chemical cleaners and protectors; window insulating systems; caulks; pressure-sensitive tapes; repositionable paper products; carbonless papers; coated abrasives; personal care products; outdoor advertising; print media advertising; shopping mall directories; computer software for publishers; and music/messaging systems.
Commercial Markets Group
Consumer Products Group
Advertising Services Group

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
(common stock)
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075

First Trust National Association
(notes & debentures)
P.O. Box 64111
St. Paul, Minnesota 55164

Morgan Guaranty Trust Company of New York
(notes & debentures)
30 West Broadway
New York, New York 10007

Manufacturers Hanover Trust Company
(notes and debentures)
40 Wall Street
New York, New York 10015

Citibank, N.A.
120 Wall Street
New York, New York 10043

Stock Exchange(s): New York, Pacific, Midwest, Paris, Amsterdam, Switzerland, Germany, Tokyo.

Ticker Symbol: MMM

Number of Employees:

1989	87,584
1988	82,818
1987	82,405
1986	81,847
1985	85,466

Sales & Earnings x

	Net Sales ‡ (000's)	Net Income (000's)
1989	$ 11,990,000	$ 1,244,000
1988	11,323,000	1,154,000
1987	10,004,000	918,000
1986	9,056,000	779,000
1985	8,117,000	664,000

	No. of Com. Shares	Earn. per Share #
1989	222,663,756	$ 5.60
1988	224,332,865	5.09
1987	227,492,769	4.02
1986	228,532,762	3.40
1985	229,144,574	2.89

x Restated to reflect the consolidation of Sumitomo 3M Ltd.
‡ Includes other operating revenues.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Industrial & electronic	$ 4,337,000	$ 4,150,000
Information & imaging technologies	3,420,000	3,260,000
Life sciences	2,542,000	2,355,000
Commercial & consumer	1,669,000	1,547,000
Eliminations	22,000	11,000
Total	$ 11,990,000	$ 11,323,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 2.60	—	—
1988	2.12	—	
1987	1.86	—	2-for-1
1986	1.80	—	—
1985	1.75	—	—

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ 5,378,000	$ 24.15
1988	5,514,000	24.58
1987	5,060,000	22.24
1986	4,463,000	19.53
1985	4,008,000	17.49

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988‡
Net sales	$ 11,990,000	$ 11,323,000
Cost of sales	6,946,000	6,551,000
Expenses	2,894,000	2,756,000
Interest expense	98,000	99,000
Other income	(47,000)	(68,000)
Income before taxes	$ 2,099,000	$ 1,985,000
Income taxes	825,000	803,000
Minority interest	30,000	28,000
Net Income	$ 1,244,000	$ 1,154,000

‡ Restated.

* Included in Costs and Expenses, Depreciation and Amortization: $761,000,000 in 1989 and $723,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988‡
Cash & cash equiv.	$ 448,000	$ 529,000
Other securities	439,000	375,000
Accts. receiv., net	2,075,000	1,928,000
*Inventories	2,120,000	1,947,000
Other curr. assets	300,000	299,000
Current Assets	$ 5,382,000	$ 5,078,000
Investments	291,000	469,000
#Fixed assets	3,707,000	3,354,000
Other assets	396,000	388,000
Total Assets	$ 9,776,000	$ 9,289,000

Liabilities
(000's)

Short-term debt	$ 455,000	$ 351,000
Accts. payable	724,000	669 000
Accrued payroll	332,000	319,000
Income taxes	305,000	344,000
Other curr. liab.	905,000	859,000
Curr. Liabilities	$ 2,721,000	$ 2,542,000
Long-term debt	885,000	406,000
Deferred inc. taxes	200,000	259,000
Other liabilities	592,000	568,000
+Common stock	296,000	296,000
Retained earnings	6,492,000	5,841,000
Treasury stock	(710,000)	(568,000)
Cum. translation adjust.	(152,000)	(55,000)
ESOP unearned compen.	(548,000)	—
Total Liabilities & Shareholders' Equity	$ 9,776,000	$ 9,289,000

‡ Restated.

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	17.51	17.53
%Net Income to Sales	10.38	10.19
%Net Income to Equity	23.13	20.93
Debt to Equity	0.25	0.14
Working Capital	$ 2,661,000,000	$ 2,536,000,000
Current Ratio	1.98	2.00
Shareholders' Equity	$ 5,378,000,000	$ 5,514,000,000

Missouri Research Laboratories, Inc.

3800 West Clay Street
St. Charles, Missouri 63301
(314) 946-6900
FAX: (314) 946-2860

Officers: Jerome E. Adams, chairman & president; Lawrence C. Grazevich, vice chairman; Noel E. Ewing, vice president; Wilbur D. Heiliger, vice president; Stephen J. Strubel, v.p.-finance; Alan G. Johnson, secretary.

Directors: Jerome E. Adams, chairman; Walter Funk, Jr., Robert J. Forthofer, William W. Halliday, John H. Pahlmann, Lawrence C. Grazevich, Alan G. Johnson, Charles E. Silva, Jr., Richard S. Glassman, Dana Campbell, Everett Gray.

Areas of Work: The company manufactures products and supplies services in the following areas: electronics, metal fabrication, and utility products.

Divisions and Subsidiaries:

Electronics Group
Piggott, Arkansas

Manufactures high quality printed circuit boards and a wide variety of electronic assemblies.

Hesco
Centralia, Illinois

Manufactures and sells a line of mobile power equipment containing electrical generating capacity and other support equipment used by underground utility system construction and maintenance crews and also manufactures asphalt paving equipment.

Metal Fabrication Group
St. Charles, Mississippi

Performs general job shop fabrication services involving machining, welding, and sheetmetal forming operations.

Stewart Equipment Company
St. Charles, Missouri

Manufactures asphalt pavers.

Transfer Agent(s):

AmeriTrust Company
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MRES (NASDAQ)

Number of Employees:

1989	265	1987	222
1988	N.A.	1986	356

Plant Footage:

1989	N.A.	1987	175,000 sq. ft.
1988	N.A.	1986	204,900

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 17,057,000	$ (2,430,000)
1989	16,152,000	65,000
1988	14,310,000	(318,000)
1987	15,652,000	127,000
1986	15,494,000	322,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	2,281,000	$ —
1989	2,282,000	0.03
1988	2,142,000	—
1987	2,180,000	0.06
1986	2,189,000	0.15

(Loss)

+ Of continuing operations only.

† Including extraordinary gain of $26,000 ($0.01 per share) in 1989.

‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989
Metal fabrication	$ 3,676,000	$ 2,846,000
Utility products	6,057,000	6,009,000
Electronics	7,324,000	7,297,000
Total	$ 17,057,000	$ 16,152,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.03	—	—
1989	0.07	—	
1988	0.07	—	—
1987	0.07	—	—
1986	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 1,800,000	$ 0.79
1989	4,142,000	1.82
1988	4,280,000	2.00
1987	4,861,000	2.23
1986	4,910,000	2.24

+ Based on the weighted average number of common shares outstanding.

Income Account
(000's)

Year ended Jan. 31	1989	1988
Net sales	$ 17,057	$ 16,152
Cost of sales	16,089	13,088
Expenses	2,974	2,635
Gain on sale of oper.	(80)	(51)
Interest expense	526	390
Interest income	(2)	(43)
Other expense (income)	(20)	68
Inc. (loss) before taxes	$ (2,430)	$ 65
Income taxes	—	26
Net Income (Loss)	$ (2,430)	$ 39
Extraord. gain	—	26
Net Income (Loss) & extraord. gain	$ (2,430)	$ 65

* Included in Costs and Expenses, Depreciation and Amortization: $663,000 in 1990 and $707,000 in 1989.

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 164	$ 38
Marketable securities	—	170
Accts. receiv, net	2,255	2,803
*Inventories	3,277	4,847
Prepaid expenses	136	150
Refundable income taxes	—	9
Current Assets	$ 5,832	$ 8,017
#Fixed assets	2,619	2,705
Other assets	162	141
Total Assets	$ 8,613	$ 10,863

Liabilities
(000's)

	1990	1989
Notes payable	$ 851	$ 2,100
Cap. lease oblig., curr.	675	—
Long-term debt, curr.	417	425
Accts. payable	1,410	1,430
Accrued payroll	562	257
Other accruals	214	98
Guarantee of officers' loans	172	—
Curr. Liabilities	$ 4,301	$ 4,310
Long-term debt	2,512	2,411
+Common stock	233	233
Add. paid-in capital	1,338	1,338
Retained earnings	548	3,047
Treasury stock issued to officers as collateral	(172)	(458)
Treasury stock	(147)	(18)
Total Liabilities & Shareholders' Equity	$ 8,613	$ 10,863

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	—	0.40
%Net Income to Sales	—	0.40
%Net Income to Equity	—	1.57
Sales to Inventories	5.21	3.33
Debt to Equity	2.48	1.19
Working Capital	$ 1,531,000	$ 3,707,000
Current Ratio	1.36	1.86
Shareholders' Equity	$ 1,800,000	$ 4,142,000

Mitsubishi Electric Corporation

Mitsubishi Denki Building
2-3, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100, Japan
(03) 218-2111

Officers: Nihachiro Katayama, chairman; Moriya Shiki, president; Yasuo Endo, exec. v.p.; Hisao Oka, exec. v.p.; Hideo Moril, exec. v.p.; Takashi Kai, sr. managing director; Kokichi Sonda, sr. managing director; Junsuke Amano, sr. managing director; Akimi Kamiya, managing director; Kazuo Wakasugi, managing director; Tsuyoshi Hirata, managing director; Sozaburo Ihara, managing director; Takashi Kitaoka, managing director; Keijiro Shoji, managing director; Hajime Okamoto, managing director; Tadao Amakasu, managing director; Yohei Mimura, director; Tetsuo Tabuchi, director; Toshio Ito, director; Kenzo Shimoyama, director; Tadahiko Hara, director; Shinzaburo Amano, director; Yuko Shinryo, director; Kazuya Nagasawa, director; Gai Kobayashi, director; Eiichi Ono, director; Makoto Nariyoshi, director; Yoshito Yamaguchi, director.

Areas of Work: Communication and Information Processing products include mobile telephone systems and equipment; information network systems and equipment; radar and guidance systems; computers; peripherals, including flexible- and hard-disk drives, printers, and CRT display monitors; terminals, including POS systems and facsimile transceivers; and Diamond Vision and Diamond Vision Mark II.

Electronic Devices include ICs, LSIs, and VLSIs; power semiconductor devices; optical semiconductor devices; transistors and diodes.

Consumer Products include color and projection TVs, VCRs, radios, tape recorders, stereo sets, amplifiers, turntables, speaker systems, and CD players; room and central air conditioners, clean heaters, fan heaters, ventilators, and electric fans; refrigerators, microwave ovens, rice cookers, tabletop grills, toasters, juicers, and blenders; washing machines, clothes dryers, water heaters, bedding air-dryers, electric irons, vacuum cleaners, and centralized vacuum-cleaning systems; electric shavers, hair dryers, and other personal-care electric aids, and dry-cell batteries; fluorescent and mercury-vapor lamps and luminaires.

Space Development products include satellite-communication systems and equipment; and satellite spacecraft and attitude-control systems; Energy products include generators -- steam-turbine, hydroturbine, diesel, motor, high-frequency, AC, and DC types; nuclear-power equipment; and substations -- transformers, rectifiers, circuit breakers, gas-insulated substations, switchgear, surge arresters, control centers, controllers, uninterruptible power supplies, blowers, modular- and mobile-type substations, and other static machines.

Building Equipment and Systems include elevators, escalators, moving walks, building automation systems, service modules for buildings, and air-conditioning, refrigeration and freezing equipment.

Transportation products include electric-propulsion equipment -- traction motors, main drive gears, traction-control gears, main transformers, rectifiers, main alternators, and VVVF inverters; electric locomotives; rail-system auxiliary electrical equipment; automatic train-control equipment; train air-conditioning equipment; and electrical automotive equipment.

Industrial Equipment includes motors -- small and medium-sized, standard AC and DC, specialized, geared, and submersible types; magnetic contactors and starters, programmable controllers, inverters, electromagnetic clutches and brakes; molded-case circuit breakers, air and vacuum circuit breakers, watthour meters, industrial time switches, electric meters, instrument transformers, and distribution transformers; welding equipment, electrical-discharge machines, laser processing machines, NC equipment, and industrial robots; specialized alloys, ferrite products, life preservers, rafts and boats, and spiral escape chutes; industrial blowers and fans, hoists, pumps, and industrial sewing machines; palm-recognition systems, Linacs, and water-quality monitoring systems; and digital-audio recorders.

Subsidiaries (Japan):

Ryoden Service Co., Ltd.
Ryoden Kasei Co., Ltd.
Ryoden Unyu Co., Ltd.
Mitsubishi Electric Service Engineering Co., Ltd.
Ryoden Estate Co., Ltd.
The Kodensha Co., Ltd.
SPC Electronics Corporation
Toyo Electric Co., Ltd.
Nakayama Kikai Co., Ltd.
Tada Electric Co., Ltd.
Shiga Bolt Co., Ltd.
Melcom Business-Machines Co., Ltd.
Ryowa Shoko Co., Ltd.
Ryoden Engineering Co., Ltd.
Ad. Melco Co., Ltd.
Mitsubishi Space Software Co., Ltd.
Ryoden Elevator Construction Co., Ltd.
Ryoreisha Co., Ltd.
Mitsubishi Electric Home Appliance Co., Ltd.
Mitsubishi Electric Co., Ltd.

Subsidiaries (U.S.A.):

Mitsubishi Electric America, Inc.
645 Fifth Avenue, Suite 505
New York, New York 10022
(212) 223-2250

Mitsubishi Electric Sales America, Inc.
5757 Plaza Drive
P.O. Box 6007
Cypress, California 90630-0007
(714) 220-2500

Mitsubishi Electronics America, Inc.
991 Knox Street
Torrance, California 90502
(213) 515-3993

Mitsubishi Consumer Electronics America, Inc.
2001 E. Carnegie Avenue
Santa Ana, California 92705
(714) 261-3200

Mitsubishi Semiconductor America, Inc.
Three Diamond Lane
Durham, North Carolina 27704
(919) 479-3333

Horizon Research, Inc.
1432 Main Street
Waltham, Massachusetts 02154
(617) 466-8300

Mitsubishi Electric Manufacturing Cincinnati, Inc.
4773 Bethany Road
Mason, Ohio 45040
(513) 398-2220

Joint Ventures (U.S.A.):

Diamond Vision, Inc.
430 Park Avenue, 17th Floor
New York, New York 10022
(212) 644-5760

Astronet Corporation
400 Rinehart Road
Lake Mary, Florida 32746
(305) 849-4903

WM Power Products Inc.
Five Foster Plaza
651 Holiday Drive
Pittsburgh, Pennsylvania 15220
(412) 928-2570

Powerex, Inc.
Hills Street
Youngwood, Pennsylvania 15697
(412) 925-4400

Stock Exchange(s): Tokyo, Osaka, Nagoya, Sapporo, Niigata, Kyoto, Horoshima, and Fukuoka, Japan; Amsterdam, Frankfurt, London, Paris

Number of Employees:

1989	85,723	1986	71,479
1988	75,795	1985	68,745
1987	73,536		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1989	¥ 2,716,818	¥ 53,236
1988	2,368,279	22,213
1987	2,107,505	10,598
1986	2,109,483	30,047
1985	2,034,823	47,035

	No. of Com. Shares	Earn. per Share ‡
1989	2,123,489,479	¥ 24.68
1988	2,023,225,810	10.77
1987	1,929,122,492	5.49
1986	1,798,727,341	13.67
1985	N.A.	26.56

N.A. -- Not Available.
¥ -- Yen.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 6.82	—	—
1988	5.80	—	
1987	6.65	—	—
1986	7.58	—	—
1985	6.40	—	—

Mitsubishi Electric Corporation

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1989	¥ 638,999	¥ 300.92
1988	551,599	285.93
1987	506,502	262.56
1986	463,449	257.65
1985	386,123	218.04

Income Account *
(millions)

Year ended Mar. 31	1989	1988
Net sales	¥ 2,716,818	¥ 2,368,279
Other income	58,113	57,040
Total income	¥ 2,774,931	¥ 2,425,319
Cost of sales	2,002,269	1,816,806
Expenses:		
Res. & develop.	118,507	101,948
Sell., gen., & adm.	439,127	369,750
Interest expense	44,012	45,049
Other expense	42,066	28,982
Income before taxes	¥ 128,950	¥ 62,784
Income taxes	79,438	44,767
Minority interest	(3,724)	(4,196)
Net Income	¥ 53,236	¥ 22,213

* Included in Costs and Expenses, Depreciation: ¥ 176,019,000,000 in 1989 and ¥ 180,108,000,000 in 1988.

Assets
(millions)

As of Mar. 31	1989	1988
Cash	¥ 479,376	¥ 342,638
Marketable securities	126,281	115,044
Accts. receiv., net	658,279	551,235
*Inventories	427,791	341,987
Prepaid expenses	166,572	121,586
Current Assets	¥ 1,858,299	¥ 1,472,490
Long-term receiv.	43,208	31,083
Investments	192,041	172,885
#Fixed assets	519[illegible]	483,311
Other assets	92,992	69,226
Total Assets	¥ 2,705,927	¥ 2,228,995

Liabilities
(millions)

	1989	1988
Bank loans	¥ 470,103	¥ 445,847
Long-term debt, curr.	30,640	34,956
Accts. payable	668,534	542,198
Emp. sav. deposits	67,717	61,959
Accrued inc. taxes	83,343	30,847
Other accruals	202,924	165,832
Other current liabilities	105,296	73,409
Curr. Liabilities	¥ 1,628,557	¥ 1,355,048
Long-term debt	270,815	205,548
Retirement benefits	142,351	111,537
Other liabilities	12,318	—
Minority interest	12,887	5,263
+Common stock	170,285	151,310
Add. paid-in capital	172,838	143,512
Legal reserve	24,165	22,177
Retained earnings	275,779	239,016
For. curr. trans.	(4,068)	(4,416)
Total Liabilities & Shareholders' Equity	¥ 2,705,927	¥ 2,228,995

* At lower of cost or estimated realizable value.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.75	2.65
%Net Income to Sales	1.96	0.94
%Net Income to Equity	8.33	4.03
Sales to Inventories	6.35	6.93
Debt to Equity	1.21	1.24
Working Capital (000's)	¥ 229,742,000	¥ 117,442,000
Current Ratio	1.14	1.09
Shareholders' Equity (000's)	¥ 638,999,000	¥ 551,599,000

Modern Controls, Inc.

6820 Shingle Creek Parkway
Minneapolis, Minnesota 55430
(612) 560-2900
FAX: (612) 561-7563

Officers: William N. Mayer, chairman, president & chief executive officer; Robert L. Demorest, exec. v.p.-sales & marketing and secretary; Ronald A. Meyer, v.p.-finance & administration, treasurer & asst. secretary; Daniel W. Mayer, v.p.-product development; Patrick J. Buhl, v.p.-manufacturing.

Directors: William N. Mayer, chairman; Dean B. Chenoweth, Ronald Esau, J. Leonard Frame, Howard L. Demorest, Wallace W. Lindemann, Paul L. Sjoquist.

Areas of Work: Manufactures and markets precision instruments used for quality control, production control, and testing purposes, primarily in the food, pharmaceutical, chemical, and packaging industries. Also manufactures and markets high-speed capsule sorting and weighing systems for the pharmaceutical industry.

Subsidiary:

Chemical Sensor Development, Inc.
Manufactures a process sensing device.

Transfer Agent(s):

National City Bank
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOCO (NASDAQ)

Number of Employees:

1989	70	1986	48
1988	60	1985	57
1987	54		

Plant Footage:

1989	23,500 sq. ft.	1986	21,600
1988	23,500	1985	21,600
1987	23,500		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 9,798,393	$ 2,137,078
1988	8,551,455	1,675,732
1987	7,129,718	1,304,057
1986	5,875,863	818,576
1985	6,402,247	1,000,603

	No. of Com. Shares	Earn. per Share ‡
1989	2,106,064	$ 0.99
1988	2,107,291	0.79
1987	2,099,386	0.61
1985	2,134,308	0.38
1985	2,108,332	0.45

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 9,123,154	$ 4.33
1988	7,587,490	3.60
1987	6,320,614	3.01
1986	5,472,127	2.56
1985	4,856,982	2.30

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 9,798,393	$ 8,551,455
Cost of sales	3,338,699	3,018,823
Sell., gen., & adm. expenses	3,122,915	2,793,027
Res. & develop. expenses	728,379	683,498
Interest income	(558,057)	(401,462)
Interest expense	1,475	4,300
Other expense (income)	(1,096)	24,537
Income before taxes	$ 3,166,078	$ 2,428,732
Income taxes	1,029,000	753,000
Net Income	$ 2,137,078	$ 1,675,732

* Included in Costs and Expenses, Depreciation and Amortization: $138.465 in 1989 and $147,909 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & temp. cash invest.	$ 1,046,756	$ 475,290
Marketable securities	6,076,453	5,644,525
Accts. receiv., net	1,425,713	1,291,319
*Inventories	1,178,527	921,273
Prepaid expenses	86,707	94,492
Deferred income taxes	87,000	87,000
Current Assets	$ 9,901,156	$ 8,513,899
#Fixed assets	362,379	210,052
Other assets	167,979	212,953
Total Assets	$ 10,431,514	$ 8,936,904

Liabilities

	1989	1988
Long-term debt, curr.	$ —	$ 32,051
Accts. payable	464,277	521,105
Accrued compensation	315,776	247,081
Other accruals	158,335	189,727
Warranty costs	95,000	28,000
Income taxes	152,372	195,485
Dividends payable	105,500	105,565
Curr. Liabilities	$ 1,291,260	$ 1,319,014
Def. inc. taxes	17,100	30,400
+Common stock	210,606	210,729
Add. paid-in capital	2,603,629	2,781,837
Retained earnings	6,308,919	4,594,924
Total Liabilities & Shareholders' Equity	$ 10,431,514	$ 8,936,904

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	32.31	28.40
%Net Income to Sales	21.81	19.60
%Net Income to Equity	23.42	22.09
Sales to Inventories	8.31	9.28
Working Capital	$ 8,609,896	$ 7,194,885
Current Ratio	7.67	6.45
Shareholders' Equity	$ 9,123,154	$ 7,587,490

Molex Incorporated

2222 Wellington Court
Lisle, Illinois 60532
(708) 969-4550
FAX: (708) 964-2321

Officers: John H. Krehbiel, chairman; John H. Krehbiel, Jr., president; Frederick A. Krehbiel, vice chairman & chief exec. officer; Ronald L. Schubel, v.p.-operations; Ronald Canaday, v.p.; John C. Psaltis, v.p. & treasurer; Louis A. Hecht, secretary & general counsel; J. Joseph King, v.p.; Werner W. Fichtner, v.p.; Raymond C. Wieser, group v.p..

Directors: John H. Krehbiel, chairman; John H. Krehbiel, Jr., Frederick A. Krehbiel, Lewis E. Platt, Robert J. Potter, Robert H. Hayes, Edgar D. Jannotta.

Areas of Work: Engaged in the production and sale of connectors, conductor cable, terminals, interconnection systems, switches and associated application equipment for electrical and electronic products. Also involved in the extrusion of plastics, the laminating of multi-conductor cable, the further processing (notching, slitting, cutting) of such cable and fabricating these into cable connector assemblies.

Divisions and Subsidiaries:

Molex S.A. de C.V.
Molex Far East Management Ltd.
Molex Japan Co. Ltd.
Molex Singapore Pte. Ltd.
Molex Taiwan Ltd.
Taiwan Connections Ltd.
Molex Hong Kong Ltd.
Molex Electronics Ltd. (Canada)
Molex Electronica Ltda.
Molex European Management Ltd.
Molex Export Inc.
France Connexion S.A. (85% owned)
Molex Connection S.A. (85% owned)
Molex-ETC Division
Molex International Inc.
Molex Electronics Ltd. (U.K.)
Molex Italia S.p.A.
Molex G.m.b.H.
Molex Svenska A.B.
Molex (Benelux) B.V.
Commercial Division
Data Products Division
Automotive Division
Data/Comm. Division
Switch Division
Application Tooling Division
Manufacturing Tooling Division
Industrial Interface Division
Molex Ltd. Japan
Molex Illinois S.A.
Molex Parkfield Ltd.
Smithstown Light Eng. Ltd. (50% owned)
Technor (Pty.) Ltd. (30% owned)

Transfer Agent(s):

Harris Trust and Savings Bank of Chicago
311 W. Monroe Street, 11th Floor
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOLX (NASDAQ)

Number of Employees:

1989	6,271
1988	5,900
1987	4,962
1986	4,403
1985	4,163

Sales & Earnings

	Net Sales	Net Income
1989	$ 571,891,959	$ 57,698,394
1988	502,368,072	59,276,278
1987	386,758,534	43,416,034
1986	291,912,549	32,039,408
1985	253,213,654	30,900,672

	No. of Com. Shares ‡	Earn per Share ‡
1989	25,311,353	$ 2.28
1988	25,356,861	2.34
1987	25,283,142	1.72
1986	25,186,391	1.27
1985	25,150,801	1.23

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.03	—	—
1988	0.03	—	
1987	0.03	25%	—
1986	0.02	—	—
1985	0.02	—	—

‡ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 428,788,189	$ 16.94
1988	389,688,103 +	15.37
1987	315,755,092 +	12.49
1986	254,562,901 +	10.11
1985	186,099,932 +	7.40

+ After allowing for preferred stock at par value.
‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 571,891,959	$ 502,368,072
Cost of sales	314,737,913	262,306,053
Expenses	158,308,130	137,719,860
Other income	(5,825,918)	(3,791,317)
Income before taxes	$ 104,671,834	$ 106,133,476
Income taxes	46,475,000	46,473,000
Minority interest	498,440	384,198
Net Income	$ 57,698,394	$ 59,276,278

* Included in Costs and Expenses. Depreciation and Amortization: $51,600,784 in 1989 and $41,771,114 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 17,292,313	$ 15,378,528
Cert. of deposit	106,906,332	90,228,315
Accts. receiv. net	118,036,258	128,023,582
*Inventories	69,665,721	59,816,183
Prepaid expenses	4,057,116	4,847,990
Current Assets	$ 315,957,740	$ 298,294,598
#Fixed assets	214,373,321	183,461,341
Other assets	10,922,370	17,196,612
Total Assets	$ 541,253,431	$ 498,952,551

Liabilities

Notes payable	$ 968,319	$ 860,830
Long-term debt, curr.	747,298	557,967
Accts. payable	46,666,686	40,378,794
Accruals	36,305,380	37,050,927
Income taxes	14,377,614	17,058,020
Dividends payable	204,436	204,907
Curr. Liabilities	$ 99,269,733	$ 96,111,445
Long-term debt	5,760,142	6,566,431
Deferred income	3,454,659	4,065,479
Deferred inc. taxes	1,793,860	1,463,297
Minority interest	2,186,848	1,010,432
+Preferred stock	—	47,364
++Common stock	1,276,618	1,272,305
++Class B common stock	4,713	4,713
Add. paid-in captial	27,476,223	22,544,716
Retained earnings	376,359,546	319,474,149
Def. unearned comp.	(5,388,006)	(3,669,011)
Treasury stock	(12,863,168)	(4,768,860)
Cum. trans. adjust.	41,922,263	54,830,091
Total Liabilities & Shareholders' Equity	$ 541,253,431	$ 498,952,551

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $100 par value; 6% non-cumulative.
++ $0.05 par value.

Statistical Summary

%Income bef. taxes to Sales	18.30	21.13
%Net Income to Sales	10.09	11.80
%Net Income to Equity	13.46	15.21
Sales to Inventories	8.21	8.40
Debt to Equity	0.02	0.02
Working Capital	$ 216,688,007	$ 202,183,153
Current Ratio	3.18	3.10
Shareholders' Equity	$ 428,788,189	$ 389,735,467

Monsanto Company

800 N. Lindbergh Boulevard
St. Louis, Missouri 63167
(314) 694-1000
FAX: (314) 694-7571

Officers: Richard J. Mahoney, chairman & chief executive officer; Earle H. Harbison, Jr., president & chief operating officer; Nicolas L. Reding, exec. v.p.; Robert L. Berra, sr. v.p.; Howard A. Schneiderman, sr. v.p.; Harold J. Corbett, sr. v.p.; Francis A. Stroble, sr. v.p. & chief financial officer; Earl N. Brasfield, v.p.; Robert G. Potter, group v.p.; Richard W. Duesenberg, sr. v.p., secretary & general counsel; Leonard A. Cohn, v.p.; S. Allen Heininger, v.p.; Martin J. Kallen, v.p.; Richard A. Overton, v.p.; David L. Sliney, v.p.; Thomas H. Lafferre, v.p.; James H. Senger, v.p.; Lawrence B. Skatoff, v.p.-finance; B. Clare Harris, v.p. & controller; Juanita H. Hinshaw, v.p. & treasurer; A. Nicholas Filippello, v.p.; Philip Needleman, v.p.; Virginia V. Weldon, v.p.; Barry Blitstein, v.p.; Michael E. Miller, v.p..

Directors: Richard J. Mahoney*, chairman; John W. Hanley*, Donald C. Carroll, C. R. Dahl, Richard I. Fricke, Stansfield Turner, Howard M. Love, Buck Mickel, John B. Slaughter, Joan T. Bok, Earle H. Harbison*, Jr., John S. Reed, William D. Ruckelshaus, Marguerite R. Barnett*, Robert M. Heyssel, Richard W. Duesenberg, Philip Leder, Frank A. Metz, Jr..

* Member of the Executive Committee

Areas of Work: Engaged in the worldwide manufacture and sale of a widely diversified line of chemical and agricultural products, prescription pharamceuticals, low caloric sweeteners, industrial process control equipment, man-made fibers and plastics.

Operating Units:

Monsanto Agricultural Company
Monsanto Chemical Company
Fisher Controls International, Inc.
Searle
The NutraSweet Company

Subsidiaries:

Fisher Controls International, Inc.
Manufactures, sells and services process control equipment and related instrumentation.

G.D. Searle & Co.
Pharmaceuticals.

Monsanto Europe, S.A
Manufactures and sells plasticizers, plastics, rubber chemicals, resins, Saflex, PVB and agricultural chemical formulations.

Monsanto International Holdings, Inc.
Holding Company.

Monsanto International Sales Company, Inc.
Agent for sale of Monsanto products and services outside the U. S.

Monsanto p.l.c.
Manufactures and sells chemicals, instruments and equipment; and sells agricultural, industrial and residential pesticide products.

The NutraSweet Company
Manufactures and sells low calorie sweetener.

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Amsterdam, Brussels, Frankfurt, Geneva, London, Paris, Zurich and Tokyo.

Ticker Symbol: MTC

Number of Employees:

1989	42,179	1986	51,703
1988	45,635	1985	56,103
1987	49,734		

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1989	$ 8,681,000	$ 679,000
1988	8,293,000	591,000
1987	7,639,000	436,000
1986	6,879,000	433,000
1985	6,747,000	(98,000)

	No. of Com. Shares	Earn. per Share ‡ #
1989	66,146,441	$ 10.03
1988	68,832,180	8.27
1987	74,097,517	5.63
1986	77,659,089	5.55
1985	76,752,553	—

(Loss)
‡ Including extraordinary gain of $30,000,000 ($0.40 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Agricultural prods.	$ 1,717,000	$ 1,546,000
Chemicals	4,065,000	3,989,000
Electronic materials	—	209,000
Fisher controls	852,000	840,000
NutraSweet	869,000	736,000
Pharmaceuticals	1,178,000	973,000
Total	$ 8,681,000	$ 8,293,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 3.30	—	—
1988	2.95	—	
1987	2.75	—	—
1986	2.575	—	—
1985	2.45	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 3,941,000	$ 59.58
1988	3,800,000	55.21
1987	3,901,000	52.65
1986	3,781,000	48.69
1985	3,407,000	44.39

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 8,681,000	$ 8,293,000
Cost of sales	5,035,000	4,972,000
Expenses:		
Marketing	1,154,000	1,013,000
Administrative	516,000	474,000
Technological	672,000	648,000
Amort. of intangibles	226,000	231,000
Oper. income	$ 1,078,000	$ 955,000
Interest expense	182,000	174,000
Interest income	(57,000)	(46,000)
Other income	(62,000)	(66,000)
Inc. bef. taxes	$ 1,015,000	$ 893,000
Income taxes	336,000	302,000
Net Income	$ 679,000	$ 591,000

* Included in Costs and Expenses, Depreciation and Amortization: $690,000,000 in 1989 and $703,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 198,000	$ 203,000
Marketable securities	55,000	18,000
Receiv., net	1,604,000	1,518,000
Def. inc. tax benefit	194,000	188,000
*Inventories	1,197,000	1,170,000
Current Assets	$ 3,248,000	$ 3,097,000
Investments in affil.	204,000	205,000
#Fixed assets	3,173,000	3,146,000
Intangibles	1,682,000	1,790,000
Other assets	297,000	223,000
Total Assets	$ 8,604,000	$ 8,461,000

Liabilities
(000's)

Accounts payable	$ 514,000	$ 545,000
Wages & commissions	223,000	208,000
Income & other taxes	126,000	124,000
Misc. accruals	554,000	547,000
Short-term debt	505,000	556,000
Curr. Liabilities	$ 1,922,000	$ 1,980,000
Long-term debt	1,471,000	1,408,000
Deferred inc. taxes	621,000	588,000
Other liabilities	649,000	685,000
+Common stock	164,000	164,000
Add. paid-in capital	877,000	874,000
Accum. curr. adj.	24,000	52,000
Retained earnings	4,120,000	3,662,000
Treasury stock	(1,244,000)	(952,000)
Total Liabilities & Shareholders' Equity	$ 8,604,000	$ 8,461,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.69	10.77
%Net Income to Sales	7.82	7.13
%Net Income to Equity	17.23	15.55
Sales to Inventories	7.25	7.09
Debt to Equity	0.50	0.52
Working Capital	$ 1,326,000,000	$ 1,117,000,000
Current Ratio	1.69	1.56
Shareholders' Equity	$ 3,941,000,000	$ 3,800,000,000

Moog Inc.

East Aurora, New York 14052
(716) 652-2000

Officers: William C. Moog, president & chairman; Richard A. Aubrecht, chairman of the board; Robert T. Brady, president & chief executive officer; Robert R. Banta, exec. v.p. & chief financial officer; Jerald D. Bidlack, vice chairman, exec. v.p., & pres.-International Group; Joe C. Green, exec. v.p. & chief administrative officer; Kenneth J. McIlraith, vice chairman; Daniel C. Clark, v.p. & president-Industrial Controls Group; Kenneth D. Garnjost, v.p.-engineering; Robert H. Maskrey, v.p.; William J. Thayer, v.p.; Philip H. Hubbell, v.p.; William P. Burke, treasurer; Albert K. Hill, secretary.

Directors: Jerald D. Bidlack, Jane B. Moog, Kenneth J. McIlraith, Arthur S. Wolcott, Joe C. Green, Richard A. Aubrecht, Peter P. Poth, Steven B. Sample, Robert T. Brady, William B. Cutting, Director Emeritus.

Areas of Work: Manufactures advanced controls and control systems which utilize high performance servovalves for industrial and aerospace applications.

Divisions:

Industrial Controls Group
Manufactures electrohydraulic controls for the guidance systems of space boosters, missiles, and aircraft. For industrial markets, produces controls for machine tools, computer memory access systems, construction equipment, plastic molding equipment, and other process control systems.

International Controls Division
Identifies and develops markets outside North America for precision control components and systems.

Aerospace Group

Missile Systems Division
Supplier of servovalves for missiles.

Aircraft Controls Division
Manufactures various types of servoactivators, hydromechanical control systems and helicopter products.

Space Products Division
Produces components for propulsion systems to control flight path.

Engine Controls Division

Electronics & Systems Division
Product lines include plastic controls, secure radio controls, custom control systems, specialized electronics assemblies, and electronic motion control products.

Subsidiaries:

Moog GmbH
Boblingen, West Germany

Moog Japan Ltd. (90% owned)
Hiratsuka, Japan

Moog S.A.R.L.
Rungis, France

Moog Australia Pty. Ltd.
Melbourne, Australia

Moog Italiana S.r.L.
Italy

Moog Controls Limited
Tewkesbury, England

Moog do Brasil Controles Ltda.
Sao Paulo, Brazil

Moog Norden A.B.
Sweden

Moog Korea Ltd.
South Korea

Transfer Agent(s):

Mellon Securities Trust Company
120 Broadway
New York, New York 10004

Stock Exchange(s): American

Ticker Symbol: MOGA and MOGB

Number of Employees:

1988	3,560	1985	3,336
1987	3,784	1984	2,991
1986	3,645		

Plant Footage:

1988	1,222,200 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1988	$ 296,889,000	$ (13,883,000)
1987	307,069,000	11,831,000
1986	268,464,000	10,193,000
1985	216,920,000	9,810,000
1984	176,072,000	7,441,000

	No. of Com. Shares #	Earn per Share #
1988	8,364,000	$ —
1987	8,908,000	1.33
1986	8,842,000	1.15
1985	8,781,000	1.12
1984	8,701,000	0.86

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business

	1988	1987
Government	$ 196,143,000	$ 211,774,000
Commercial	100,746,000	95,295,000
Total	$ 296,889,000	$ 307,069,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.48	—	—
1987	0.48	—	
1986	0.48	—	—
1985	0.48	—	—
1984	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 79,400,000	$ 9.49
1987	111,276,000	12.49
1986	98,759,000	11.17
1985	85,897,000	9.78
1984	75,919,000	8.73

† Based on the average number of shares outstanding.

Income Account *

Year ended Sept. 30	1988	1987
Net sales	$ 296,889,000	$ 307,069,000
Other income	3,256,000	2,114,000
Gain on exch. of stock	3,162,000	—
Total income	$ 303,307,000	$ 309,183,000
Cost of sales	254,978,000	228,203,000
Expenses	52,415,000	50,976,000
Interest expense	15,192,000	12,526,000
Other charges	1,897,000	383,000
Loss from currency trans.	813,000	287,000
Income (loss) bef. taxes	$ (21,988,000)	$ 16,808,000
Income taxes (credit)	(5,562,000)	7,597,000
Inc.(loss) - cont. oper.	$ (16,426,000)	$ 9,211,000
Inc.(loss) - discont. oper.	(197,000)	2,620,000
Cum. effect of accntng. change	2,740,000	—
Net Income (Loss)	$ (13,883,000)	$ 11,831,000

* Included in Costs and Expenses, Depreciation and Amortization: $16,830,000 in 1988 and $14,515,000 in 1987.

Assets

As of Sept. 30	1988	1987
Cash	$ 7,434,000	$ 9,242,000
Receivables, net	114,842,000	110,606,000
*Inventories	65,250,000	75,885,000
Deferred inc. taxes	4,319,000	8,997,000
Prepaid expenses	1,185,000	756,000
Other curr. assets	400,000	—
Current Assets	$ 193,430,000	$ 205,486,000
#Fixed assets	108,511,000	115,307,000
Other assets	4,883,000	4,099,000
Total Assets	$ 306,824,000	$ 324,892,000

Liabilities

	1988	1987
Note payable	$ 30,379,000	$ 14,498,000
Long-term debt, curr.	6,182,000	7,322,000
Accts. payable	21,555,000	24,895,000
Accrued payroll	12,951,000	21,707,000
Contract loss reserves	14,925,000	4,336,000
Other accruals	9,563,000	8,467,000
Income taxes	1,368,000	6,718,000
Customer advances	3,633,000	3,720,000
Current Liabilities	$ 100,556,000	$ 91,663,000
Long-term debt	90,479,000	75,628,000
Pension obligation	6,596,000	4,123,000
Minority interest	741,000	593,000
Deferred credits	569,000	249,000
Deferred inc. taxes	3,483,000	16,360,000
Convert. subord. debentures	25,000,000	25,000,000
+ Common stock	9,134,000	8,947,000
Add paid-in capital	47,989,000	45,722,000
Retained earnings	36,916,000	52,948,000
Foreign curr. trans.	4,160,000	3,705,000
Treasury stock	(16,685,000)	(46,000)
Loan to SSOP	(2,114,000)	—
Total Liabilities & Shareholders' Equity	$ 306,824,000	$ 324,892,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1988	1987
%Net Income to Equity	—	10.63
Sales to Inventories	4.55	4.05
Debt to Equity	1.60	0.88
Working Capital	$ 92,874,000	$ 113,823,000
Current Ratio	1.92	2.24
Shareholders' Equity	$ 79,400,000	$ 111,276,000

Moore Products Co.

Sumneytown Pike
Spring House, Pennsylvania 19477
(215) 646-7400
FAX: (215) 283-6358

Officers: Edwin G. Rorke, chairman of the board; William B. Moore, president & chief executive officer; Edward J. Curry, exec. v.p.; Robert B. Adams, v.p.-engineering; Richard J. Faber, v.p.-manufacturing; George W. Tall, v.p.-sales; Hugh S. Wilson, v.p.-int'l operations; William J. Young, v.p.-finance; Charles H. Welles, III, secretary.

Directors: Robert W. Buhner, Thomas C. Moore, Edwin G. Rorke*, Charles H. Welles, III, Ralph H. Owens, William J. Young*, James O. Moore, William B. Moore*, Edward J. Curry*, George W. Tall*, Robert B. Adams*.

* Member of the Executive Committee

Areas of Work: Designs, manufactures and markets measurement and control equipment and systems for the process industries, and dimensional measurement and control equipment for the bearing, automotive, and other hard good manufacturers. Researches and manufactures fluidic devices.

Subsidiaries:

Moore Instruments Ltd./Ltee.
Brampton, Ontario, Canada

Moore Products Co. (U.K.) Limited
Yeovil
Somerset, England

Moore Products Co. (France) SARL
Vincennes, France

Moore Products Co. B.V.
Breda, The Netherlands

Moore Products Co. (Italia) S.r.l.
Milan, Italy

Joint Venture(s):

Moore Products de Mexico S.A. de C.V.
Ciudad Juanez
Chihuahua, Mexico

Moore Controls Pvt. Limited
Poona, India

Transfer Agent(s):

Mellon Bank
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MORP (NASDAQ)

Number of Employees:

1989	1,250	1987	1,134
1988	1,191		

Plant Footage:

1989	374,000 sq. ft.	1986	374,000
1988	374,000	1985	374,000
1987	374,000		

N. A. -- Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 104,429,000	$ 4,732,000
1988	87,738,000	4,290,000
1987	84,242,000	4,825,000
1986	79,769,000	4,710,000
1985	71,680,000	3,074,000

	No. of Com. Shares	Earn. per Share ‡
1989	2,083,092	$ 2.27
1988	2,083,092	2.06
1987	2,083,092	2.31
1986	2,083,092	2.27
1985	2,069,579	1.48

‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.88	—	—
1988	0.88	—	
1987	0.88	—	—
1986	0.88	—	—
1985	0.88	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 55,863,000	$ 26.82
1988	53,102,000	25.49
1987	50,460,000	24.22
1986	46,235,000	22.20
1985	42,816,000	20.69

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year. ended Dec. 31	1989	1988
Net sales	$ 104,429	$ 87,738
Cost of sales	48,462	37,951
Expenses	49,355	44,102
Other income	(1,267)	(1,517)
Income before taxes	$ 7,879	$ 7,202
Income taxes	3,147	2,912
Net Income	$ 4,732	$ 4,290

* Included in Costs and Expenses, Depreciation: $2,929,000 in 1989 and $2,717,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term investments	$ 9,859	$ 15,795
Accts. receiv., net	17,511	12,295
*Inventories	17,951	16,939
Prepaid expenses	1,787	1,708
Current Assets	$ 47,108	$ 46,737
#Fixed assets	18,096	16,452
Total Assets	$ 65,204	$ 63,189

Liabilities
(000's)

Accounts payable	$ 2,982	$ 2,665
Accrued compensation	2,348	1,839
Adv. from cust.	917	1,848
Curr. Liabilities	$ 6,247	$ 6,352
Def. inc. taxes	1,490	1,646
Pension	—	312
Long-term debt	1,428	1,601
+Preferred stock	176	176
++Common stock	2,083	2,083
Add. paid-in capital	3,343	3,343
Retained earnings	50,662	47,772
For. curr. trans. adjust.	(225)	(96)
Total Liabilities & Shareholders' Equity	$ 65,204	$ 63,189

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value, 5% cumulative convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.54	8.21
%Net Income to Sales	4.53	4.89
%Net Income to Equity	8.44	8.05
Sales to Inventories	5.82	5.18
Debt to Equity	0.03	0.03
Working Capital	$ 40,861,000	$ 40,385,000
Current Ratio	7.54	7.36
Shareholders' Equity	$ 56,039,000	$ 53,278,000

Motorola, Inc.

Motorola Center
1303 East Algonquin Road
Schaumburg, Illinois 60196
(708) 397-5000
FAX: (708) 576-3258

Officers: Robert W. Galvin, chairman of the executice committee; George Fisher, chairman & chief executive officer; Christopher B. Galvin, sr. exec. v.p. & asst. chief operating officer; John F. Mitchell, vice chairman; Carl F. Koenemann, corp. v.p. & asst. chief financial officer; A. Peter Lawson, corp. v.p. & asst. general counsel; Garth L. Milne, corp. v.p. & treas.; Benny L. Smothermon, orp. v.p. & director of international finance; Wilhelm Braxmaier, corp. v.p. & director for Eastern Europe; Chi-Sun Lai, corp. v.p. & gen. mgr.-Motorola China Ltd.; Elisha Shahmoon, corp. v.p. & managing director-Motorola Israel Limited; Arnold S. Brenner, exec. v.p. & gen. mgr.-Japanese Group; Toshiaki Irie, corp. v.p. & chairman- Nippon Motorola Limited; Richard W. Younts, corp. v.p. & pres.-Nippon Motorola Limited; Gary L. Tooker, president & chief operating officer; Levy Katzir, sr. v.p. & gen. mgr.-New Enterprises; Philip D. Gunderson, corp. v.p., engineering & technology- Motorola Lighting, Inc.; Donald R. Jones, exec. v.p. & chief financial officer; David W. Hickie, sr. v.p. & chief corp. staff officer; Kenneth J. Johnson, corp. v.p. & controller; Victor R. Kopidlansky, corp. v.p. & asst. gen. counsel; Keith J. Bane, sr. v.p. & motorola director-strategy; William B. Dimitro, corp. v.p. & dir.-Career Direction Center; C. Travis Marshall, sr. v.p. & dir.-government relations; Vincent J. Rauner, sr. v.p.-patents, trademarks & licensing; James D. Burge, corp. v.p. & dir.-government affairs, personnel; James Donnelly, exec. v.p. & dir.-personnel; Joseph Miraglia, sr. v.p. & asst. Motorola director of personnel; Arthur P. Sundry, president & general mgr.-Communications Sector & exec. v.p.-Motorola; James A. Norling, pres.& general manager-Semiconductor Products Sector; Carl E. Lindholm, exec. v.p.-International operations; Gerhard Schulmeyer, exec. v.p. & deputy to the chief exec. officer for Europe; David G. Wolfe, sr. v.p. & gen. mgr.-Government Electronics Group; Edward F. Staiano, exec. v.p. & gen. mgr.-General Systems Group; A. Peter Lawson, corp. v.p. & asst. general counsel; Garth Milne, corp. v.p. & treasurer; David K. Bartram, sr. v.p. & asst. gen. mgr., Communications Sector; Morton L. Topfer, sr. v.p. & asst. gen. mgr., Communications Sector; Theodore Saltzberg, sr. v.p. & dir.-technology, Communications Sector; Thomas D. George, sr. v.p. & asst. gen. mgr., Semiconductor Products Sector; Andre Borrel, sr. v.p. & gen. mgr.-International Semiconductor Group; Gordon C. Chilton, sr. v.p. & gen. mgr.-Discrete & Special Technologies Group; Murray A. Goldman, sr. v.p. & gen. mgr.-Microprocessor Products Group; Gary M. Johnson, sr. v.p. & gen. mgr.-Standard Logic and Analog Integrated Circuits Group; Geno Ori, sr. v.p. & dir.-customer relations, Semiconductor Products Sector; Charles E. Thompson, sr. v.p. & sector dir.-world marketing, Semiconductor Products Sector; Hector Ruiz, sr. v.p. & dir.-technology management, Semiconductor Products Sector; Gordon Comerford, sr. v.p. & group gen. mgr.-operations & staff, Communications Sector; Ronald E. Greenwell, sr. v.p. & gen. mgr.-Domestic Distribution Group, Communications Sector; Kenneth R. Hessler, sr. v.p. & gen. mgr.-Distribution Service Group, Communications Sector; Lawrence R. Paggeot, sr. v.p. & gen. mgr.-Cellular Subscriber Group; Bernard R. Smedley, sr. v.p. & gen. mgr.-Radio-Telephone Systems Group; John A. Lockitt, sr. v.p.-Information Systems Group & president-Codex Corporation; Frederick T. Tucker, sr. v.p. & gen. mgr.-Automotive and Industrial Electronics Group; Wilhelm Braxmaier, corp. v.p. & dir.-Eastern Europe; John A. Lockitt, sr. v.p.-information systems group; David G. Wolfe, sr. v.p. & gen. mgr.-gov. electronics group.

Directors: Robert W. Galvin, William J. Weisz, John F. Mitchell, Stephen L. Levy, B. Kenneth West, John T. Hickey, Wallace C. Doud, William G. Salatich, Gardiner L. Tucker, Lawrence Howe, Anne P. Jones, Walter E. Massey, David R. Clare, George M. C. Fisher, Gary L. Tooker, Christopher B. Galvin, Donald R. Jones.

Areas of Work: Engaged in the design, manufacture and sale of a diversified line of electronic equipment and components, including two-way radios, pagers and other forms of electronic communication systems; semiconductors, including integrated circuits, discrete semiconductors, and microprocessor units; information systems products such as multifunction computer systems, low, medium and high speed modems, multiplexers and network processors and multifunction computer systems for distributed data processing and office automation applications; electronic equipment for military and aerospace use; electronic engine controls, digital appliance controls, automobile radios and other automotive and industrial electronic equipment.

Divisions:

Automotive and Industrial Electronics Group
1299 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-8000

Products include automotive engine control systems, recording and monitoring systems for trucks, very- and ultra-high resolution monochrome monitors for use in the phototypesetting industry, cellular telephone equipment, and controls for appliances.

Automotive Powertrain and Chassis Electronics Division
Automotive Body Electronics Business
Sensors and Power Controls Business

Communications Sector
1301 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-1000

Mobile and portable FM two-way radio communications systems, radio paging systems, communications control centers, radio operations; microwave communications equipment and systems; single sideband radio equipment; and cellular mobile telephone systems.

Communications Systems Group

Government Markets Systems Division
Commercial Market Systems Division
Selected Markets Systems Division

Distribution Service Group

Parts Division

Domestic Distribution Group

Commercial Markets Division
National Markets Division
State and Local Government Markets Division

International Group

International Markets Division

MDI Mobile Data International Inc.

Manufacturing Technologies Group

Component Products Division

Motorola Storno Communications Group

Radio Technologies Group

Joint Venture:

ARDIS
Provides companies and their mobile workforces access to their computer data bases and information systems through two-radio data terminals.

Fixed Products Division
Portable Products Division
Paging Products Division
Radius Division
U.S. Federal Government Division
Mobile Products Division

Semiconductor Products Sector
5005 East McDowell Road
Phoenix, Arizona 85008
(602) 244-6900
MOS and bipolar integrated circuits; power and small signal transistors; thyristors, varactors, zener and tuning diodes; optoelectronics, semiconductor chips, RF modules, microwave devices, triggers, suppressors; field effect transistors.

Discrete and Special Technologies Group

Power Products Division
RF and Optoelectronic Products Division
Small Signal and Sensor Products Division
Zener/Rectifier Products Division

Final Manufacturing and Equipment Engineering Group

International Semiconductor Group

Asia Pacific Semiconductor Products Division

European Semiconductor Group

Discrete and Analog Products Division (Toulouse)
Microsystems, ASIC and Digital Products Division (Munich)
MOS Memory and Microprocessor Division (East Kilbride)

Microprocessor Products Group

High End MPU Division
Microcontroller Division

Standard Logic and Analog Integrated Circuits Group

Bipolar Analog Integrated Circuits Division
Logic Integrated Circuits Division
MOS Digital-Analog Integrated Circuits Division
Application Specific Integrated Circuits Division
MOS Memory Products Division

Government Electronics Group
8201 East McDowell Road
Scottsdale, Arizona 85252
(602) 949-3033
Products include government electronics products, such as diversified military and space electronic equipment, including aerospace telecommunications systems, military communications equipment, radar systems, data links display systems, positioning and navigation systems, missile guidance equipment, electronic ordnance devices and drone electronic systems.
Communications Division
Tactical Electronics Division
Strategic Electronics Division

General Systems Group
Supplies cellular telephone systems and manufactures microcomputers and related communications software.

Computer Group

Computer Systems Division
Field Service Division
International Division
Microcomputer Division

Radio-Telephone Systems Group

Cellular Subscriber Group
Cellular Subscriber Division
North American Subscriber Division

Information Systems Group
Provides customers with products to handle complex data communication needs.

Codex Corporation
Canton, Massachusetts

Universal Data Systems, Inc.
5000 Bradford Drive
Huntsville, Alabama 35805
(205) 837-8100

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: MOT

Number of Employees:

1989	104,000
1988	102,000
1987	97,700
1986	94,400
1985	90,200

Plant Footage:

1989 .... N.A.
1988 . 25,000,000 sq. ft.

N.A.-Not Available

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 9,620,000	$ 498,000
1988	8,250,000	445,000
1987	6,727,000	308,000
1986	5,905,000	194,000
1985	5,456,000	72,000

	No. of Com. Shares #	Earn. per Share #
1989	130,000,000	$ 3.83
1988	129,600,000	3.43
1987	128,900,000	2.39
1986	126,500,000	1.53
1985	119,000,000	0.61

+ Includes other revenue.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Communications products	$ 3,310,000	$ 3,017,000
Semiconductor products	3,036,000	2,741,000
General systems prods.	1,902,000	1,102,000
Information systems products	552,000	566,000
Gov't. electronic products	698,000	648,000
Other products	490,000	481,000
Eliminations	(368,000)	(305,000)
Total	$ 9,620,000	$ 8,250,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.76	—	—
1988	0.67	—	
1987	0.64	—	—
1986	0.64	—	—
1985	0.64	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 3,803,000	$ 29.25
1988	3,375,000	26.04
1987	3,008,000	23.34
1986	2,754,000	21.77
1985	2,284,000	19.19

‡ Based on the average number of shares outstanding.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 9,620,000	$ 8,250,000
Cost of sales	5,905,000	5,040,000
Expenses	2,289,000	1,957,000
Depreciation	650,000	543,000
Interest expense	130,000	98,000
Income before taxes	$ 646,000	$ 612,000
Income taxes	148,000	167,000
Net Income	$ 498,000	$ 445,000

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term investments	$ 433,000	$ 340,000
Accts. receiv., net	1,683,000	1,400,000
*Inventories	1,173,000	1,144,000
Future tax benefits	337,000	278,000
Other assets	289,000	218,000
Current Assets	$ 3,915,000	$ 3,380,000
#Fixed assets	3,337,000	2,854,000
Other assets	434,000	476,000
Total Assets	$ 7,686,000	$ 6,710,000

Liabilities
(000's)

	1989	1988
Notes payable & long-term debt, curr.	$ 787,000	$ 1,038,000
Accts. payable	789,000	650,000
Accruals	1,175,000	1,003,000
Curr. Liabilities	$ 2,751,000	$ 2,691,000
Long-term debt	755,000	343,000
Deferred taxes	183,000	155,000
Other liabilities	194,000	146,000
+Common stock	391,000	389,000
Add. paid-in capital	878,000	851,000
Retained earnings	2,534,000	2,135,000
Total Liabilities & Shareholders' Equity	$ 7,686,000	$ 6,710,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $3 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	6.72	7.42
%Net Income to Sales	5.18	5.39
%Net Income to Equity	13.09	13.19
Sales to Inventories	8.20	7.21
Debt to Equity	0.41	0.41
Working Capital	$ 1,164,000,000	$ 689,000,000
Current Ratio	1.42	1.26
Shareholders' Equity	$ 3,803,000,000	$ 3,375,000,000

MSI Electronics, Inc.

34-32 57th Street
Woodside, New York 11377
(718) 672-6500

Officers: Albert Lederman, president, chief exec. officer & chairman of the board; T. R. Bashkow, secretary.

Directors: T. R. Bashkow, Albert Lederman, E. L. Hurd.

Areas of Work: Manufacturers voltage variable capacitor diodes, semiconductor components of instruments and test instruments.

Subsidiaries:

Elyon Electronics, Ltd. (98% owned)
East Grinstead, Sussex, England

MSI Seminconductor Corp.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSIE (NASDAQ)

Number of Employees:

1988	21	1985	26
1987	23	1984	26
1986	N.A.		

Plant Footage:

1988	8,400 sq. ft.	1985	6,200
1987	8,400	1984	6,200
1986	7,440		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1988	$ 1,418,303	$ (214,612)
1987	1,509,273	(71,166)
1986	2,533,615	580,521
1985	2,513,423	376,227
1984	2,344,031	584,127

	No. of Com. Shares †	Earn per Share †
1988	1,314,390	$ —
1987	1,364,268	—
1986	1,365,214	0.43
1985	1,367,622	0.27
1984	1,408,448	0.41

† Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 3,384,199	$ 2.57
1987	3,719,660	2.73
1986	3,832,452	2.81
1985	3,258,181	2.38
1984	3,005,614	2.13

Income Account *

Year ended Sept. 30	1988	1987
Net sales	$ 1,418,303	$ 1,509,273
Cost of sales	1,280,264	1,074,795
Expenses	722,398	795,436
Interest & dividend income	(216,740)	(210,175)
Loss before taxes	$ (367,619)	$ (150,783)
Tax credit	(153,007)	(79,117)
Net Loss	$ (214,612)	$ (71,666)

* Included in Costs and Expenses, Depreciation and Amortization: $114,242 in 1988 and $95,069 in 1987.

Assets

As of Sept. 30	1988	1987
Cash	$ 376,119	$ 395,823
Treasury notes	2,127,969	2,392,794
Accts. receiv. net	476,823	355,011
Marketable securites	189,112	217,744
Interest receiv.	—	36,659
*Inventories	327,171	266,243
Prepaid expenses	12,926	13,122
Current Assets	$ 3,510,120	$ 3,677,396
#Fixed assets	551,884	655,971
Other assets	2,300	2,300
Total Assets	$ 4,064,304	$ 4,335,667

Liabilities

	1988	1987
Accts. payable	$ 680,105	$ 616,007
Curr. Liabilities	$ 680,105	$ 616,007
+Common stock	42,554	42,554
Add. paid-in capital	420,201	420,201
Retained earnings	3,215,829	3,430,441
Treasury stock	(294,385)	(173,536)
Total Liabilities & Shareholders' Equity	$ 4,064,304	$ 4,335,667

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

	1988	1987
Sales to Inventories	4.34	5.67
Working Capital	$ 2,830,015	$ 3,061,389
Current Ratio	5.16	5.97
Shareholders' Equity	$ 3,384,199	$ 3,719,660

MTS Systems Corporation

14000 Technology Drive
Eden Prairie, Minnesota 55344
(612) 937-4000

Mailing Address:
P.O. Box 24012
Minneapolis, Minnesota 55424

Officers: George N. Butzow, chairman; Donald M. Sullivan, president & chief executive officer; Marshall L. Carpenter, v.p. & treasurer; George Doering, v.p.-Automation Systems Group; Richard W. Clarke, v.p.; Milan L. Sebek, J. Howell Owens, v.p.; Keith D. Zell, v.p.-prod. group; Milan L. Sebek, v.p.; Patrick Delaney, secretary.

Directors: Charles A. Brickman, George N. Butzow, Thomas E. Holloran, E. Thomas Binger, Thomas Stelson, Donald M. Sullivan, Marcelo Gumucio.

Areas of Work: Designs, manufactures and markets electronic instruments and software products; also hydraulic devices such as high-technology fluid power systems used in basic scientific research on materials, in the evaluation of new products, for production line quality control and for material forming manufacturing.

Division:

Temposonics Division
111 East Ames Court
Plainview, New York 11803
(516) 349-1950

Manufactures a proprietary line of position measuring instruments.

Subsidiaries:

MTS Systems GmbH
Potsdamer Str. 23/24
1000 Berlin 37, West Berlin

MTS (Japan) Ltd.
4-8-13 Kudan Minami
Chiyoda-Ku, Tokyo T102 Japan

MTS Systems France
MTS Systems (Hong Kong) Inc.
MTS Limited (UK)
MTS Testing Systems (Canada) Ltd.
MTS Systems SRL (Italy)
MTS International Ltd. (Barbados, West Indies)
MTS Systems Norden AB (Sweden)
MTS Sistemas do Brasil, Ltda
MTS Systems (China) Limited

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Minneapolis, Minnesota 55440

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTSC (NASDAQ)

Number of Employees:

1988	1,322	1985	1,161
1987	1,194	1984	973
1986	1,199		

Plant Footage:

1988	N.A.	1986	249,000
1987	223,000 sq. ft.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1988	$ 128,917,000	$ 9,142,000
1987	112,305,000	1,259,000
1986	109,724,000	6,914,000
1985	95,278,000	5,025,000
1984	74,873,000	3,869,000

	No. of Com. Shares #	Earn. Per Share #
1988	4,485,000	$ 2.04
1987	4,487,000	0.28
1986	4,353,000	1.59
1985	4,198,000	1.19
1984	4,107,000	0.94

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to relfect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	$ 0.260	—	—
1987	0.226	—	
1986	0.173	—	—
1985	0.160	—	—
1984	0.142	—	3-for-2

# Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 59,109,000	$ 13.34
1987	51,331,000	11.65
1986	48,805,000	11.43
1985	40,314,000	9.80
1984	35,178,000	8.71

+ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1988	1987
Net sales	$ 128,917,000	$ 112,305,000
Cost of sales	76,360,000	65,098,000
Expenses	38,238,000	35,627,000
Interest expense	1,201,000	1,341,000
Interest income	(294,000)	(1,017,000)
Other expense (income)	1,036,000	(260,000)
Income before taxes	$ 12,376,000	$ 11,516,000
Income taxes	3,234,000	4,416,000
Inc.-cont. oper	$ 9,142,000	$ 7,100,000
Loss-discont. oper	—	(5,841,000)
Net Income	$ 9,142,000	$ 1,259,000

*Included in Costs and Expenses, Depreciation and Amortization: $3,955,000 in 1988 and $3,958,000 in 1987.

Assets

As of Sept. 30	1988	1987
Cash	$ 2,832,000	$ 3,525,000
Interest bearing invest.	—	6,954,000
Accts. receiv., net	51,367,000	37,802,000
Income tax refund	—	630,000
* Inventories	26,505,000	22,050,000
Prepaid expenses	2,174,000	1,559,000
Current Assets	$ 82,878,000	$ 72,520,000
#Fixed assets	26,212,000	21,685,000
Other assets	3,663,000	4,226,000
Total Assets	$ 112,753,000	$ 98,431,000

Liabilities

Notes payable	$ 3,846,000	$ 140,000
Long-term debt, curr.	1,152,000	1,134,000
Accts. payable	6,774,000	4,213,000
Accruals	12,534,000	13,358,000
Advance billings	6,338,000	4,369,000
Income taxes	9,641,000	9,416,000
Curr. Liabilities	$ 40,285,000	$ 32,630,000
Long-term debt	10,685,000	11,849,000
Deferred inc. taxes	2,674,000	2,621,000
+ Common stock	1,108,000	1,102,000
Add. paid-in capital	5,823,000	6,384,000
Retained earnings	50,025,000	42,031,000
Cum. trans. adjust.	2,153,000	1,814,000
Total Liabilities & Shareholders' Equity	$ 112,753,000	$ 98,431,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.60	—
%Net Income to Equity	7.09	—
%Net Income to Equity	15.47	2.45
Sales to Inventories	4.86	5.09
Debt to Equity	0.27	0.26
Working Capital	$ 42,593,000	$ 39,890,000
Current Ratio	2.06	2.22
Shareholders' Equity	$ 59,109,000	$ 51,331,000

Napco Security Systems, Inc.

333 Bayview Avenue
Amityville, New York 11701
(516) 842-9400
FAX: (516) 842-9137

Officers: Richard Soloway, chairman of the board & secretary; Kenneth Rosenberg, president & treasurer; Vincent Pomarico, v.p.-finance; Larry Badash, v.p.-sales; Raymond Gaudio, v.p.-engineering, software applications; Alfred DePierro, v.p.-engineering, microcomputer applications.

Directors: Richard Soloway, chairman; Kenneth Rosenberg, Randy B. Blaustein, Ben Z. Kedem.

Areas of Work: Manufactures electronic burglar and fire alarms and devices. Products include commercial and residential control panels, telephone dialers, sirens, passive infrared detection systems, and shock processors.

Subsidiaries:

E.E. Electronic Components, Inc.
Raltech Logic, Inc.
Napco Security Systems International, Inc. (DISC)
UMI Manufacturing Corp.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSSC (NASDAQ)

Number of Employees:

1989	500	1986	273
1988	471	1985	296
1987	362		

Plant Footage:

1989	90,000 sq. ft.	1986	42,200
1988	116,000	1985	42,200
1987	42,200		

Sales & Earnings

	Net Sales	Net Income
1989	$ 36,669,000	$ 2,257,000
1988	35,238,553	4,163,037
1987	27,588,254	3,375,121
1986	23,561,308	2,933,404
1985	18,823,272	2,407,109

	No. of Com. Shares †	Earn per Share #
1989	4,366,437	$ 0.52
1988	4,361,442	0.95
1987	4,351,947	0.77
1986	4,345,467	0.67
1985	4,335,681	0.00

† Adjusted to reflect stock dividends.
# Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	50% & 50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 20,468,000	$ 4.69
1988	18,179,042	4.17
1987	14,000,454	3.22
1986	10,613,832	2.44
1985	7,662,341	1.77

‡ Adjusted to reflect stock dividends.

Income Account*

Year ended June 30	1989	1988
Net sales	$ 36,669,000	$ 35,238,553
Cost of sales	25,742,000	22,254,417
Expenses	6,888,000	5,952,822
Interest income	(159,000)	(76,025)
Interest expense	849,000	629,388
Other expense	30,000	79,914
Income before taxes	$ 3,319,000	$ 6,398,037
Income taxes	1,062,000	2,235,000
Net Income	$ 2,257,000	$ 4,163,037

* Included in Costs and Expenses, Depreciation and Amortization: $873,000 in 1989 and $630,383 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 2,476,000	$ 557,493
Munic. bonds held for invest.	—	298,351
Accts. receiv., net	5,592,000	5,669,504
*Inventories	10,553,000	11,520,270
Prepaid expenses	485,000	449,296
Def. inc. taxes	571,000	210,000
Current Assets	$ 19,677,000	$ 18,704,914
# Fixed assets	9,291,000	9,090,708
Exc. of cost over assets acq.	3,554,000	3,661,311
Other assets	197,000	258,086
Total Assets	$ 32,719,000	$ 31,715,019

Liabilities

Long-term debt, curr.	$ 6,225,000	$ 6,225,000
Accts. payable	924,000	2,729,740
Accrued payroll	574,000	434,067
Other accruals	797,000	363,825
Income taxes	—	38,345
Other liabilities	71,000	—
Curr. Liabilities	$ 8,591,000	$ 9,790,977
Long-term debt	3,000,000	3,300,000
Deferred inc. taxes	660,000	445,000
+ Common stock	59,000	58,903
Add. paid-in capital	716,000	684,054
Retained earnings	19,694,000	17,437,218
Treasury stock	(1,000)	(1,133)
Total Liabilities & Shareholders' Equity	$ 32,719,000	$ 31,715,019

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.05	18.16
% Net Income to Sales	6.16	11.81
% Net Income to Equity	11.03	22.90
Sales to Inventories	3.47	3.06
Debt to Equity	0.45	0.52
Working Capital	$ 11,086,000	$ 8,913,937
Current Ratio	2.29	1.91
Shareholders' Equity	$ 20,468,000	$ 18,179,042

National Computer Systems, Inc.

11000 Prairie Lakes Drive
Eden Prairie, Minnesota 55344
(612) 829-3000
FAX: (612) 829-3186

Officers: Charles W. Oswald, chairman of the board & chief executive officer; David C. Malmberg, president & chief operating officer; Richard L. Poss, v.p.-organization development; John W. Fenton, Jr., secretary & treasurer; Jeffrey W. Taylor, v.p. & corp. controller; Adrienne Teissier Tietz, v.p.-corp. development; Arthur E. Weisberg, senior staff officer.

Directors: Charles W. Oswald*, chairman; David C. Malmberg*, David P. Campbell, Arthur E. Weisberg*, Robert F. Zicarelli*, David C. Cox, Stephen G. Shank, John W. Vessey, Harvey Golub.

* Member of the Executive Committee

Areas of Work: The Company's business is primarily comprised of two segments: the production and marketing of optical mark reading systems, input documents, materials and test scoring services, and the automation of asset management systems for financial institutions.

Transfer Agent(s):

Norwest Bank Minnesota, N. A.
Minneapolis, Minnesota 55479

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NLCS (NASDAQ)

Number of Employees:

1990	2,900	1987	2,001
1989	2,800	1986	1,859
1988	2,150		

Sales & Earnings

	Revenues +	Net Income
1990	$ 284,203,000	$ 7,317,000
1989	241,901,000	15,401,000
1988	209,164,000	17,996,000
1987	197,628,000	15,750,000
1986	156,317,000	15,191,000

	No. of Com. Shares #	Earn. per Share #
1990	16,023,000	$ 0.46
1989	16,998,000	0.91
1988	18,555,000	0.97
1987	18,842,000	0.84
1986	17,105,000	0.89

+ Includes rentals & maintenance; of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.28	—	—
1989	0.25	—	
1988	0.22	—	—
1987	0.17	—	—
1986	0.13	—	3-for-2

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 90,192,000	$ 5.63
1989	104,393,000	6.14
1988	103,799,000	5.59
1987	116,120,000	6.16
1986	76,249,000	4.46

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 202,931	$ 177,567
Maintenance & support	81,272	64,334
Total income	$ 284,203	$ 241,901
Cost of sales	124,919	113,306
Cost of maint. & support	54,152	41,135
Expenses	81,430	63,692
Software prod. discont.	6,230	—
Interest expense	6,127	3,457
Other income	(172)	(3,640)
Income before taxes	$ 11,517	$ 23,951
Income taxes	4,200	8,550
Net Income	$ 7,317	$ 15,401

* Included in Costs and Expenses, Depreciation and Amortization: $11,425,000 in 1989 and $9,676,000 in 1988.

Assets
(000's)

As of Jan 31	1990	1989
Cash & cash equiv.	$ 2,813	$ 2,119
Receivables, net	74,098	66,892
*Inventories	29,242	19,796
Prepaid expenses	7,493	4,544
Current Assets	$ 113,646	$ 93,351
#Fixed assets	88,850	67,659
Goodwill & other assets	47,899	47,500
Total Assets	$ 250,395	$ 208,510

Liabilities
(000's)

Notes payable	$ 79	$ 4,705
Long-term debt, curr.	13,292	850
Accts. payable	19,185	14,765
Accruals	22,046	16,686
Deferred income	7,821	6,983
Income taxes	649	83
Curr. Liabilities	$ 63,072	$ 44,072
Long-term debt	82,337	47,284
Deferred inc. taxes	14,794	12,761
+ Common stock	473	492
Add. paid-in capital	14,071	21,262
Retained earnings	85,648	82,639
Commitment to ESOP	(10,000)	—
Total Liabilities & Shareholders' Equity	$ 250,395	$ 208,510

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.68	13.49
%Net Income to Sales	3.61	8.67
%Net Income to Equity	8.11	14.75
Sales to Inventories	6.94	8.97
Debt to Equity	1.06	0.51
Working Capital	$ 50,574,000	$ 49,279,000
Current Ratio	1.80	2.12
Shareholders' Equity	$ 90,192,000	$ 104,393,000

National Micronetics, Inc.

71 Smith Avenue
Kingston, New York 12401
(914) 338-0333
FAX: (914) 338-0377

Officers: Charles J. Lawson, Jr., chairman of the board; Robert C. Ristagno, vice president & controller; Joseph R. Sequenzia, vice president; Tugrul Yasar, vice president; Richard F. Carlton, vice president; Stuart F. Dalke, vice president.

Directors: Charles J. Lawson, Jr., chairman of the board; George O. Pfaff, Edward R. Bedrosian, Charles C. Francisco, Eric W. Markrud.

Areas of Work: Designs, manufactures and markets magnetic recording heads primarily for computer disc drives using Winchester technology. The Company manufactures ferrite cores as well as final recording heads assemblies.

Transfer Agent(s):

Mellon Financial Services
Fort Lee, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NMIC (NASDAQ)

Number of Employees:

1989	700	1986	600
1988	700	1985	900
1987	580		

Plant Footage:

1989	131,000 sq. ft.	1986	189,700
1988	145,000	1985	189,700
1987	131,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 41,932,000	$ 944,000
1988	38,789,000	930,000
1987	35,385,000	(1,585,000)
1986	36,332,000	(7,152,000)
1985	42,809,000	(44,637,000)

	No. of Com. Shares #	Earn. per Share #
1989	9,581,000	$ 0.10
1988	9,379,000	0.10
1987	9,287,000	—
1986	9,182,000	—
1985	8,635,000	—

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share‡
1989	$ 11,542,000	$ 1.20
1988	10,055,000	1.07
1987	8,855,000	0.95
1986	10,078,000	1.10
1985	16,683,000	1.93

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 41,932	$ 38,789
Cost of sales	32,659	30,008
Research, develop. & engin. exp.	3,113	2,328
Sell. & adm. expenses	4,160	4,358
Interest expense	976	1,149
Interest income	(13)	(22)
Other expense	—	69
Income bef. taxes	$ 1,037	$ 899

Income taxes	93	—
Income - cont. oper.	$ 944	$ 899
Inc. - discont. oper.	—	31
Net Income	$ 944	$ 930

* Included in Costs and Expenses, Depreciation and Amortization: $2,588,000 in 1989 and $2,618,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash	$ 1,730	$ 2,500
Accts. receiv., net	7,851	5,755
*Inventories	5,180	5,528
Other current assets	798	362
Current Assets	$ 15,559	$ 14,145
#Fixed assets	10,271	11,437
Other assets	230	667
Total Assets	$ 26,060	$ 26,249

Liabilities
(000's)

Long-term debt and cap. lease oblig., curr.	$ 1,047	$ 1,958
Short-term debt	3,920	3,250
Accts. payable	2,591	2,629
Accrued payroll	1,224	1,143
Other accruals	1,363	1,171
Curr. Liabilities	$ 10,145	$ 10,151
Long-term debt & cap. lease oblig.	4,373	6,043
+Common stock	956	938
Add. paid-in capital	48,913	48,388
Retained earnings (deficit)	(38,327)	(39,271)
Total Liabilities & Shareholders' Equity	$ 26,060	$ 26,249

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.47	—
% Net Income to Sales	2.25	—
% Net Income to Equity	8.18	9.25
Sales to Inventories	8.09	7.02
Debt to Equity	0.81	1.12
Working Capital	$ 5,414,000	$ 3,994,000
Current Ratio	1.53	1.39
Shareholders' Equity	$ 11,542,000	$ 10,055,000

National Semiconductor Corporation

2900 Semiconductor Drive
P.O. Box 58090
Santa Clara, California 95052-8090
(408) 721-5000
FAX: (408) 739-9803

Officers: Charles E. Sporck, president & chief exec. officer; Donald P. Beadle, v.p.-worldwide marketing; Raymond J. Farnham, v.p.-VLSI Division; John F. Hekking, v.p.-Memory Div.; Fred W. Horne, v.p.-Corp Strategic Development; Clements E. Pausa, v.p.-international manufacturing; Robert B. Johnson, v.p.-ASIC Division; Gary P. Arnold, v.p.-finance, chief financial officer & asst. secretary; Edgar R. Parker, v.p. & gen. mgr.-Military/Aerospace Div.; J. Philip Russell, v.p. & controller; John G. Webb, v.p., general counsel & secretary; H. Gene McCown, v.p. & treasurer; Michael E. Hawkins, v.p.-human relations; John E. Montesi, v.p.-quality & reliability; R. Thomas Odell, v.p.-Analog Division; James B. Owens, v.p.-Worldwide Wafer Fabrication; Kirk P. Pond, v.p.-Digital Logic Division.

Directors: Peter J. Sprague, chairman; Donald E. Weeden, Charles E. Sporck, Robert Beshar, Harry H. Wetzel, Gary P. Arnold, Richard J. Danzig.

Areas of Work: Engaged in the design, development, manufacture and marketing of a wide variety of semiconductor products including microprocessors, linear integrated circuits, digital integrated circuits, hybrid circuits and subsystems, electronic packaging, and miscellaneous services and supplies for the semiconductor industry.

Divisions and Subsidiaries:

National Semiconductor (UK) Ltd.
The Maple
Kembrey Park
Swindon, Wiltshire SN2 6UT England

National Semiconductor Pte., Ltd.
51 Goldhill Plaza
Newton Road
Singapore 1130

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific

Ticker Symbol: NSM

Number of Employees:

1989	32,200	1986	30,800
1988	37,700	1985	37,100
1987	29,200		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 1,647,900,000	$ (23,200,000)
1988	1,432,100,000	62,700,000
1987	993,900,000	(23,400,000)
1986	865,800,000	(93,400,000)
1985	1,186,600,000	43,200,000

	No. of Com. Shares #	Earn. per Share #
1989	103,100,000	$ —
1988	110,800,000	0.48
1987	91,700,000	—
1986	89,800,000	—
1985	89,800,000	0.48

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 723,500,000 †	$ 7.02
1988	888,600,000 †	8.02
1987	703,000,000 †	7.67
1986	527,700,000 †	5.88
1985	681,200,000	7.59

† After allowing for preferred stock at liquidation value.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended May 31	1989	1988
Net sales	$ 1,647,900	$ 1,432,100
Cost of sales	1,280,300	970,800
Expenses	501,000	429,200
Restruc. of oper.	53,600	—
Interest expense	11,500	400
Inc. (loss) bef. taxes	$ (198,500)	$ 31,700
Income taxes	7,000	1,600
Inc. (loss)-cont. oper.	$ (205,500)	$ 30,100
Inc.-discont. oper.	182,300	32,600
Net Income (Loss)	$ (23,200)	$ 62,700

* Included in Costs and Expenses, Depreciation and Amortization: $184,700,000 in 1989 and $144,200,000 in 1988.

Assets

As of May 31	1989	1988
Cash & cash equiv.	$ 228,000	$ 147,200
Receiv., net	194,200	204,900
*Inventories	218,900	227,600
Other curr. assets	37,300	58,500
Net assets-discont. oper.	—	139,100
Current Assets	$ 678,400	$ 777,300
#Fixed assets	696,500	622,400
Other assets	41,200	13,700
Net assets-discont. oper.	—	90,500
Total Assets	$ 1,416,100	$ 1,503,900

Liabilities
(000's)

Short-term borrowings & long-term debt, curr.	$ 10,000	$ 3,200
Accts. payable	143,700	184,400
Accruals	191,900	129,700
Income taxes	77,400	43,200
Other curr. liabilities	25,800	44,800
Curr. Liabilities	$ 448,800	$ 405,300
Long-term debt	52,200	36,900
Deferred inc. taxes	13,800	9,700
Other liabilties	52,800	38,400
+Preferred stock	100	100
++Common stock	51,300	53,900
Add. paid-in capital	688,200	817,500
Retained earnings	108,900	142,100
Total Liabilities & Shareholders' Equity	$ 1,416,100	$ 1,503,900

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value; $40.00 convertible exchangeable.
++ $0.50 par value.

Statistical Summary

%Net Income to Equity	—	6.19
Sales to Inventories	7.53	6.29
Debt to Equity	0.07	0.04
Working Capital	$ 229,600,000	$ 372,000,000
Current Ratio	1.51	1.92
Shareholders' Equity	$ 848,500,000	$ 1,013,600,000

NBI, Inc.

P.O. Box 9001
3450 Mitchell Lane
Boulder, Colorado 80301
(303) 444-5710
FAX: (303) 938-2586

Officers: Stephen G. Jerritts, president & chief executive officer; Jesse A. Simmons, chief fin. officer, treasurer & secretary; Michael L. Kaessner, vice president; John A. Kelley, vice president; Leonard Koch, vice president; James Patrick Martin, vice president; Claudio Pela, vice president.

Directors: Stephen G. Jerritts, Howard W. Selbv, III, Richard Hodgson, Dianne C. Walker.

Areas of Work: The company designs, manufactures, markets and services networked computer systems and software products which address the information management needs of professionals and workgroups. In addition, the company markets and distributes commodity and peripheral products which support and enhance NBI networked computer systems. It also develops, manufactures and distributes high performance workstations and minicomputers based on the UNIX operating system.

Divisions and Subsidiaries:

Integrated Solutions, Inc.
2240 Lundy Avenue
San Jose, California 95131

Develops, manufactures and markets the Optimum Series of printed circuit boards, workstations and servers based on the VME data bus and UNIX operating system.

Transfer Agent(s):

Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Pacific

Ticker Symbol: NBI

Number of Employees:

1989	520	1986	3,193
1988	1,272	1985	3,291
1987	N.A.		

N.A. - Not Available.

Plant Footage:

1989	310,000 sq. ft	1986	560,653
1988	451,000	1985	1,197,490
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income †
1989	$ 100,239,000	$ (30,204,000)
1988	137,746,000	(49,819,000)
1987	170,173,000	(5,405,000)
1986	172,454,000	(3,868,000)
1985	192,822,000	13,215,000

	No. of Com. Shares #	Earn. per Share †#
1989	8,476,000	$ —
1988	8,581,000	—
1987	9,272,000	—
1986	9,679,000	—
1985	9,367,000	1.41

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $509,000 in 1987 and $330,000 in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 3,098,000	$ 0.37
1988	33,833,000	4.03
1987	86,903,000	9.72
1986	100,371,000	10.32
1985	101,442,000	10.65

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 52,041	$ 81,994
Rental & serv.	48,198	55,752
Total income	$ 100,239	$ 137,746
Cost of sales	65,949	81,274
Expenses	57,880	81,451
Inc. from invest.	(1,731)	(2,305)
Interest expense	5,948	5,083
Loss bef. taxes	$ (27,807)	$ (27,757)
Tax credit	—	(11,408)
Loss-cont. oper.	$ (27,807)	$ (16,349)
Loss-discont. oper.	(2,397)	(33,470)
Net Loss	$ (30,204)	$ (49,819)

* Included in Costs and Expenses, Depreciation and Amortization: $14,156,000 in 1989 and $16,041,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 10,726	$ 13,071
Marketable securities	94	87
Receivables	21,099	28,886
*Inventories	11,337	19,915
Net assets-discont. oper.	—	5,942
Other curr. assets	3,270	4,638
Current Assets	$ 46,526	$ 72,539
Installment receiv.	2,405	5,869
# Rental equip.	555	1,598
‡ Field spare parts	5,389	6,454
# Fixed assets	25,539	29,856
Other assets	4,832	6,437
Net assets-discont. oper.	—	5,001
Total Assets	$ 85,246	$ 127,754

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 11,899	$ 10,538
Accts. payable	4,986	11,098
Accruals	13,481	21,641
Deferred inc. taxes	—	(1,479)
Net liab.-discont. oper.	875	—
Curr. Liabilities	$ 31,241	$ 41,798
Long-term debt	36,921	46,925
Deferred inc. taxes	8,375	—
Other liabilities	821	924
Net liab.-discont. oper.	695	—
+ Preferred stock	41	43
++ Common stock	979	975
Add. paid-in capital	57,707	57,776
Retained earnings (deficit)	(40,783)	(9,830)
Curr. trans. adj.	(609)	(256)
Treasury stock	(10,142)	(10,601)
Total Liabilities & Shareholders' Equity	$ 85,246	$ 127,754

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less acumulated amortization.
+ $1 par value; Series A, 9% cumulative convertible.
++ $0.10 par value.

Statistical Summary

	1989	1988
Sales to Inventories	4.59	4.12
Debt to Equity	6.79	1.51
Working Capital	$ 15,285,000	$ 30,741,000
Current Ratio	1.49	1.74
Shareholders' Equity	$ 7,193,000	$ 38,107,000

NCR Corporation

1700 South Patterson Boulevard
Dayton, Ohio 45479
(513) 445-5000
FAX: (513) 445-1238

Officers: Charles E. Exley, Jr., chairman of the board & chief exec. officer; Gilbert P. Williamson, president; R. Elton White, exec. v.p.; John L. Giering, v.p.-finance & administration; Richard B. Reese, v.p.-customer services; Philip M. Neches, sr. v.p. & chief scientist; David G. Laws, v.p. & president-Applied Digital Data Systems Inc.; Tom T. Tang, v.p.-research & development; Charles P. Russ, III, v.p., secretary & general counsel; Roger C. Lintern, controller; James E. McElwain, v.p.-personnel & education; S. Richard Reece, v.p. & treasurer; Giuseppe Bassani, v.p.-stakeholder relations; Gary W. Burnett, v.p.-Customer Services Division; Robert C. James, v.p.-cooperative marketing division; Warren A. Castray, v.p. & group exec.-Pacific; D. L. Clark, v.p.-Financial & Office Systems D&P Division; Raymond L. Miolla, v.p.-Financial Systems Division; A. Daniel Pigott, v.p.-Network Products Division; Richard K. Kruse, v.p.-quality assurance; J. H. Van Tassel, v.p.-Microelectronics Division; Edward J. McHugh, v.p.-Systemedia Group; Frederick Newall, v.p. & group exec.-Europe; Mohsen Y. Stephan, v.p.-Latin America/Middle-East/Africa Group; Allan M. Quick, v.p.-Retail Systems Division; Alok Mohan, v.p.-workstation products division; Khaled Marrei, v.p.-financial systems division; James G. Adamson, v.p.-self service systems division; Thomas A. Mays, sr. v.p.-general purpose products group; Williuam J. Eisenman, v.p.-Multi-User Products Division.

Directors: William S. Anderson*, W. G. Bowen, Charles A. Corry, C. E. Exley, Jr.*, C. H. Hardesty, Jr.*, H. Holiday, Jr.*, David R. Whitman, J. J. Horan, C. S. Morawetz, Harold A. Poling, R. Elton White, Gilbert P. Williamson, John F. Woodhouse.

* Member of the Executive Committee

Areas of Work: Develops, manufactures, markets, installs and services total business information processing systems for selected worldwide markets. These markets are primarily in the retail, financial, commercial, industrial, healthcare, education, and government sectors. Computers range from small business systems to powerful general-purpose processors, and are supported by a spectrum of terminals, peripherals, data communications networks and an extensive library of software products. Supplemental services and products include field engineering, data centers, systems services, educational centers, and a line of business forms and supplies. Also manufactures components, including semiconductor products and component subassemblies, which are marketed to other manufacturers.

Divisions and Subsidiaries:

Data Processing Group
Direct Marketing and Customer Support

NCR markets its products through 1,200 offices in more than 120 countries. It operates 87 facilities worldwide for the development and manufacture of products and systems. Operates 48 Data Centers worldwide. Products and systems are marketed through 831 districts in the United States and, internationally, through 72 company-owned organizations and 21 authorized distributors.

The Systemedia Group

Business Forms and Supplies Division

Business forms and supplies are manufactured in 9 U.S. plants and 48 overseas facilities, and are sold to both NCR and non-NCR equipment users.

The Micrographic Systems Division
Mountain View, California

Manufactures and markets a complete line of Computer Output Microfiche recorders, duplicators, and readers, and is a supplier of COM equipment.

Direct Marketing Division

Provides catalog sales of business forms and supplies for smaller users.

Source Document Services Division
Kettering, Ohio

Markets conventional microfiche and ultrafiche processing systems and related equipment for publishers, printers, and libraries.

NCR Comten, Inc.
St. Paul, Minnesota
Produces, markets, and services programmable communications processors, proprietary communications software, and computer performance measurement systems

Independent Marketing Organization
Responsible for new markets not covered by the traditional direct sales organization. Markets NCR computers, terminals and subsystems to independent software houses, system integrators, distributors, dealers and manufacturers of information processing equipment

Development and Production Group
Consists of 5 divisions: Retail Systems, General Purpose Systems, CI/MEG Systems, Financial Systems and Microelectronics. Comprises 24 operating units in 9 countries.

Applied Digital Data Systems, Inc.
Hauppauge, New York
Manufactures and markets a line of general-purpose computer video display terminals and small business computers.

Transfer Agent(s):

Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, London, Main Swiss Exchanges

Ticker Symbol: NCR

Number of Employees:

1989	56,000	1986	62,000
1988	60,000	1985	62,000
1987	62,000		

Plant Footage:

1989	6,810,000 sq. ft.	1987	7,100,000
1988	6,600,000		

Sales & Earnings

	Net Sales ‡ + (000's)	Net Income (000's)
1989	$ 5,956,000	$ 412,000
1988	5,989,909	439,266
1987	5,640,667	419,330
1986	4,881,641	336,524
1985	4,317,166	315,216

	No. of Com. Shares	Earn. per Share †
1989	70,59[illegible],640	$ 5.38
1988	79,437,775	5.33
1987	84,000.556	4.51
1986	93,984,451	3.42
1985	97,895,256	3.15

‡ Includes income from sales, services and equipment rental.
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.32	—	—
1988	1.24	—	
1987	1.00	—	—
1986	0.92	—	—
1985	0.88	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 1,985,000	$ 28.12
1988	2,240,175	28.20
1987	2,161,519	25.73
1986	2,396,332	25.50
1985	2,318,350 ‡	23.68

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales & rentals	$ 3,873,000	$ 3,892,631
Services	2,083,000	2,097,278
Revenues	$ 5,956,000	$ 5,989,909
Cost of revenues	3,209,000	3,202,253
Expenses	2,051,000	2,037,527
Other income	(91,000)	(82,944)
Interest expense	48,000	45,907
Income before taxes	$ 739,000	$ 787,166
Income taxes	327,000	347,900
Net Income	$ 412,000	$ 439,266

* Included in Costs and Expenses, Depreciation: $296,000,000 in 1989 and $297,053,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 784,000	$ 823,296
Receiv., net	1,146,000	1,174,395
*Inventories	561,000	743,885
Other current assets	216,000	264,957
Current Assets	$ 2,707,000	$ 3,006,533
Long-term receiv.	306,000	288,836
#Rental equip.	185,000	207,280
#Fixed assets	919,000	907,466
Goodwill	116,000	115,538
Other assets	267,000	191,664
Total Assets	$ 4,500,000	$ 4,717,317

Liabilities
(000's)

Short-term borrowings	$ 323,000	$ 266,078
Accts. payable	247,000	251,479
Accrued payroll	173,000	189,534
Accrued taxes	288,000	288,401
Deposits & def. serv. rev.	381,000	395,618
Other curr. liab.	401,000	384,930
Curr. Liabilities	$ 1,813,000	$ 1,776,040
Long-term debt	233,000	222,254
Int'l. emp. pension	139,000	135,138
Def. inc. taxes	136,000	137,533
Minority interests	194,000	206,177
+Common stock	353,000	397,189
Retained earnings	1,622,000	1,806,231
For. curr. transl.	10,000	36,755
Total Liabilities & Shareholders' Equity	$ 4,500,000	$ 4,717,317

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.41	13.14
%Net Income to Revenues	6.92	7.33
%Net Income to Equity	20.76	19.61
Debt to Equity	0.28	0.22
Working Capital	$ 894,000,000	$ 1,230,493,000
Current Ratio	1.49	1.69
Shareholders' Equity	$ 1,985,000,000	$ 2,240,175,000

Network Systems Corporation

7600 Boone Avenue North
Minneapolis, Minnesota 55428
(612) 424-4888
FAX: (612) 424-2853

Officers: Lyle D. Altman, chairman, president & chief executive officer; Gary S. Christensen, v.p.-advanced development; Mahlon I. Moore, v.p.-sales & marketing; Gerald R. Olson, v.p.-operations; Richard A. Fisher, v.p.-finance & treasurer; Malcolm Reid, v.p., general counsel & secretary; Harold W. Durrett, v.p.-information systems; Donald Humphrey, v.p.-advanced design; David M. Brown, v.p.-field services; Walter W. Miller, v.p.-international operations; William R. Franta, v.p.-computer networking & consulting services; Ralph R. Fetter, v.p.-manufacturing; Jeffrey G. Jacobsen, v.p.-marketing administration; Warren L. Pillsbury, v.p.-marketing; Richard A. Heller, v.p.-U.S. sales; C. Donald Haeny, v.p.-marketing services; Mark E. Slicker, v.p.-administration.

Directors: James E. Thornton, chairman; Lyle D. Altman, Donald W. Feddersen, Eugene F. Barth, Daniel J. Haggerty, William A. Hodder.

Areas of Work: The company designs, manufactures, markets and services high-performance data communications systems that interconnect computer mainframes, minicomputers, personal computers, terminals, and workstations and permit them to operate at high speed and long distances.

Subsidiaries:

Network Systems Ltd.
Toronto, Ontario, Canada

Network Systems France
Neuilly sur Seine, France

Network Systems Norge A/S
Oslo, Norway

NSC Network Systems AB
Sollentuna Sweden

Network Systems (Schweiz) AG
Zurich, Switzerland

Network Systems Nederland b.v.
Weesp, The Netherlands

Network Systems Limited
Ascot, Berkshire, United Kingdom

Network Systems GmbH
Frankfurt, West Germany

Network Systems Belgium
Brussels, Belgium

Network Systems Danmark A/S
Herlev, Denmark

Network Systems (Linz)
Linz, Austria

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSCO (NASDAQ)

Number of Employees:

1989	971	1986	911
1988	1,054	1985	908
1987	1,006		

Plant Footage:

1989	192,000 sq. ft.	1986	192,000
1988	192,000	1985	192,000
1987	192,000		

Sales & Earnings

	Revenues	Net Income
1989	$ 144,789,000	$ 17,327,000
1988	131,470,000	11,360,000
1987	120,506,000	17,452,000
1986	108,792,000	18,007,000
1985	90,084,000	17,054,000

	No. of Com. Shares #	Earn. per Share #
1989	29,488,000	$ 0.59
1988	29,480,000	0.39
1987	29,212,000	0.60
1986	29,042,000	0.62
1985	29,091,000	0.59

# Based on the weighted average number of common shares and dilutive common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 220,145,000	$ 7.53
1988	202,474,000	6.93
1987	191,362,000	6.56
1986	170,530,000	5.87
1985	150,442,000	5.20

Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Revenues	$ 144,789	$ 131,470
Cost of sales & serv.	63,797	58,679
Expenses:		
Mkt., gen. & adm.	47,661	45,688
Res. & develop.	15,850	15,989
Interest expense	676	607
Interest income	(10,612)	(7,643)
Income bef. taxes	$ 27,417	$ 18,150
Income taxes	10,090	6,790
Net Income	$ 17,327	$ 11,360

* Included in Costs and Expenses, Depreciation and Amortization: $6,688,000 in 1989 and $6,374,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 40,540	$ 27,833
Market. securities	56,168	43,795
Accts. receiv., net	54,189	61,324
*Inventories	13,732	18,306
Prepaid expenses	1,871	2,365
Deferred inc. taxes	5,350	4,580
Current Assets	$ 171,850	$ 158,203
#Fixed assets	24,170	23,744
Other assets	67,480	58,265
Total Assets	$ 263,500	$ 240,212

Liabilities
(000's)

Accts. payable	$ 4,882	$ 4,028
Accruals	14,146	9,817
Income taxes	4,741	3,685
Deferred revenue	2,000	—
Long-term debt, curr.	30	27
Current Liabilities	$ 25,799	$ 17,557
Deferred revenue	7,500	10,000
Long-term debt	2,893	2,923
Deferred inc. taxes	2,730	4,650
Deferred comp.	4,433	2,608
+Common stock	585	584
Add. paid-in capital	101,973	101,771
Retained earnings	115,391	98,064
Foreign curr. translation adjust.	2,196	2,055
Total Liabilities & Shareholders' Equity	$ 263,500	$ 240,212

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Revenues	18.94	13.81
%Net Income to Revenues	11.97	8.64
%Net Income to Equity	7.87	8.61
Debt to Equity	0.01	0.01
Working Capital	$ 146,051,000	$ 140,646,000
Current Ratio	6.66	9.01
Shareholders' Equity	$ 220,145,000	$ 202,474,000

Networks Electronic Corp.

9750 DeSoto Avenue
Chatsworth, California 91311
(818) 341-0440
FAX: (818) 718-7133

Officers: Mihai D. Patrichi, chairman of the board, chief exec. officer, president, & chief fin. officer; Edwin J. Turner, exec. v.p. & secretary; Herman J. Landolt, v.p., & gen. mgr.-U.S. Bearing Division.

Directors: Mihai D. Patrichi, chairman; Edwin J. Turner, Kenneth S. Yamamoto, Gerald M. McDonnel, Meldrim F. Burrill, Herman J. Landolt.

Areas of Work: Produces and markets spherical bearings used in the aircraft industry, and thermal relay switches, glass-to-metal seals and miniaturized electro-pyrotechnic devices used in the missile and space industry.

Divisions:

U.S. Bearing Division
Ordnance Division

Transfer Agent(s):

First Interstate Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NWRK (NASDAQ)

Number of Employees:

1989	112	1986	126
1988	129	1985	129
1987	136		

Plant Footage:

1989	85,000 sq. ft.	1986	85,000
1988	85,000	1985	85,000
1987	85,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 7,463,584	$ 442,266
1988	7,484,019	700,265
1987	7,530,000	600,729
1986	6,343,000	(334,738)
1985	6,153,000	1,527,802

	No. of Com. Shares	Earn. per Shares #
1989	1,516,642	$ 0.26
1988	1,878,842	0.37
1987	2,012,342	0.28
1986	2,275,472	—
1985	2,279,672	0.67

(Loss)
Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Bearings	$ 4,645,772	$ 5,203,141
Ordnance	2,817,812	2,280,878
Total	$ 7,463,584	$ 7,484,019

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 2,504,094	$ 1.65
1988	3,771,816	2.01
1987	3,571,926	1.78
1986	4,200,619	1.85
1985	4,555,480	2.00

Income Account *

Year ended June 30	1989	1988
Net sales	$ 7,463,584	$ 7.484,019
Cost of sales	5,351,691	5,106,105
Expenses	1,137,615	1,018,985
Interest expense	295,891	205,382
Other income	(5,805)	(13,686)
Inc. bef. taxes	$ 684,192	$ 1,167,233
Income taxes	241,926	466,968
Net Income	$ 442,266	$ 700,265

* Included in Costs and Expenses, Depreciation and Amortization: $600,556 in 1989 and $568,883 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 198,191	$ 372,542
Accts. receiv., net	1,533,687	1,732,044
Receiv. from officer	30,968	—
*Inventories	2,779,139	2,692,451
Prepaid expenses	19,733	11,706
Deferred inc. taxes	223,855	74,257
Current Assets	$ 4,785,573	$ 4,883,000
Investments	43,596	43,596
#Fixed assets	2,445,371	2,315,800
Total Assets	$ 7,274,540	$ 7,242,396

Liabilities

Notes payable	$ 1,350,000	$ 1,500,000
Long-term debt, curr.	201,541	29,266
Accts. payable	455,014	375,881
Accruals	233,061	305,408
Accrued pension expense	142,054	139,526
Income taxes	5,626	245,123
Curr. Liabilities	$ 2,387,296	$ 2,595,204

Long-term debt	2,130,436	771,970
Deferred inc. taxes	252,714	103,406
+Common stock	379,160	469,710
Add. paid-in capital	—	743,253
Retained earnings	2,124,934	2,558,853
Total Liabilities & Shareholders' Equity	$ 7,274,540	$ 7,242,396

• At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.17	15.60
%Net Income to Sales	5.93	9.36
%Net Income to Equity	17.66	18.57
Sales to Inventories	2.69	2.78
Debt to Equity	1.47	0.61
Working Capital	$ 2,398,277	$ 2,287,796
Current Ratio	2.00	1.88
Shareholders' Equity	$ 2,504,094	$ 3,771,816

New Brunswick Scientific Co., Inc.

P.O. Box 4005
44 Talmadge Road
Edison, New Jersey 08818-4005
(201) 287-1200
FAX: (201) 287-4222

Officers: David Freedman, chairman of the board; Ezra Weisman, president & chief executive officer; Stanley Yakatan, president & chief executive officer-UniSyn Fibertec Corp.; Robert S. Kovarcik, v.p. & general manager; Sigmund Freedman, treasurer; Myron Tannenbaum, v.p.; Adele Lavender, corp. secretary.

Directors: David Freedman, chairman; Sigmund Freedman, Kiyoshi Masuda, Martin Siegel, Ezra Weisman, Marvin Weinstein, Ernest Gross, Stanley Yakatan, Harriet Derman, David Pramer.

Areas of Work: Manufactures a range of research apparatus and instrumentation for the growth, measurement and control of biochemical processes in the life sciences. Also manufactures controlled environment incubation equipment in a variety of models; biological shakers; research fermentors; tissue culture apparatus, and bacterial detection equipment; metering pumps, and distributed centrifugation processing equipment.

Subsidiaries:

New Brunswick Scientific International, Inc.
New Brunswick Scientific (U.K.) Limited
NBS Tech (Ltd.)
NBS GmbH
NBS Benelux B.V.
NBS Sales Company Ltd.

Koch-Light Limited
England
Packages and distributes a wide variety of chemicals and reagents used in biological and biotechnbology laboratories.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NBSC (NASDAQ)

Number of Employees:

1989 410
1988 500

Plant Footage:

1989 .... 243,000 sq. ft.
1988 243,000
1987 243,000
1986 243,000
1985 243,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 37,180,000	$ 306,000
1988	37,517,000	136,000
1987	35,621,000	(2,106,000)
1986	31,515,000	972,000
1985	26,550,000	728,000

	No. of Com. Shares	Earn. per Share #
1989	3,523,139	$ 0.09
1988	3,677,887	0.04
1987	3,714,756	—
1986	3,720,728	0.26
1985	3,720,728	0.20

(Loss)
Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 29,009,000	$ 8.23
1988	30,631,000	8.33
1987	30,795,000	8.29
1986	31,469,000	8.46
1985	30,426,000	8.18

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 37,180,000	$ 37,517,000
Cost of sales	22,091,000	21,701,000
Expenses	15,020,000	17,419,000
Gain on sale of subsid. assets	—	(3,928,000)
Interest income	(642,000)	(553,000)
Interest expense	272,000	497,000
Income before taxes	$ 439,000	$ 2,381,000
Income taxes	133,000	2,245,000
Net Income	$ 306,000	$ 136,000

* Included in Costs and Expenses, Depreciation and Amortization: $943,000 in 1989 and $1,416,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 7,363,000	$ 13,697,000
Accts. receiv., net	7,468,000	6,474,000
Deferred tax benefit	912,000	177,000
Refund. inc. taxes	974,000	—
•Inventories	17,398,000	15,313,000
Prepaid expenses	423,000	461,000
Current Assets	$ 34,538,000	$ 36,122,000
#Fixed assets	5,171,000	4,911,000
Other assets	892,000	168,000
Total Assets	$ 40,601,000	$ 41,201,000

Liabilities

Long-term debt, curr.	$ 296,000	$ 218,000
Accts. payable & accruals	7,326,000	6,228,000
Accrued inc. taxes	816,000	900,000
Curr. Liabilities	$ 8,438,000	$ 7,346,000
Long-term debt	3,154,000	3,224,000
+ Common stock	220,000	230,000
Add. paid-in capital	18,858,000	20,234,000
Retained earnings	9,277,000	8,971,000
Cum. trans. adj.	654,000	1,196,000
Total Liabilities & Shareholders' Equity	$ 40,601,000	$ 41,201,000

• At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.0625 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.18	6.35
%Net Income to Sales	0.82	0.36
%Net Income to Equity	1.05	0.44
Sales to Inventories	2.14	2.45
Debt to Equity	0.12	0.11
Working Capital	$ 26,100,000	$ 28,776,000
Current Ratio	4.09	4.92
Shareholders' Equity	$ 29,009,000	$ 30,631,000

Newport Corporation

18235 Mt. Baldy Circle
P.O. Box 8020
Fountain Valley, California 92708
(714) 963-9811
FAX: (714) 962-2015

Officers: Erwin Tomash, chairman; Thomas A. Galantowicz, president; Aaron Gara, v.p.-business development; Dean T. Hodges, sr. v.p.-sales & marketing; Tony Hsu, v.p.-international business; Dennis C. Terry, v.p.-quality assurance; Robert C. Hewitt, sr. v.p.-finance, secretary, treasurer; John C. AuYeung, v.p.-development & engineering; David M. Lewis, v.p.-operations; Nita Millstein, v.p.-quality assurance.

Directors: Edward C. Berry, R.J. Aplin, C. Kumar N. Patel, Erwin Tomash, Thomas A. Galantowicz, Dan L. McGurk.

Areas of Work: The Company designs, manufactures and markets a broad line of vibration isolation table systems, related mechanical and electro-optical components, optical instruments and holographic equipment for laser research, experimentation and other sophisticated applications.

Subsidiaries:

Newport GmbH
Bleichstrasse 26
D-6100 Darmstadt, West Germany

Newport Ltd.
Pembroke House
Thompson Close
Harpenden, Herts AL5 4ES, England

Newport Instruments AG
Giessenstrasse 15
CH-8952 Schlieren, Switzerland

Transfer Agent(s):

First Interstate Bank
Stock Transfer Administration (W11-2)
P.O. Box 54168, Terminal Annex
Los Angeles, California 90054-0168

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEWP (NASDAQ)

Number of Employees:

1989 410
1988 391
1987 341
1986 306
1985 298

Sales & Earnings

	Net Sales	Net Income
1989	$ 57,329,000	$ 7,066,000
1988	53,449,000	7,250,000
1987	44,559,000	4,794,000
1986	40,774,000	6,269,000
1985	37,542,000	7,946,000

	No. of Com. Shares ‡		Earn. per Share ‡
1989	8,353,000	$	0.85
1988	8,659,000		0.84
1987	9,427,000		0.51
1986	9,420,000		0.67
1985	9,425,000		0.84

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1989	$	0.12	—	—
1988		0.06	—	
1987		0.06	—	—
1986		0.06	—	—
1985		0.06	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	70,550,000	$	8.48
1988		64,503,000		7.76
1987		69,125,000		7.33
1986		64,254,096		6.84
1985		58,265,900		6.21

Income Account *

Year ended July 31		1989		1988
Net sales	$	57,329,000	$	53,449,000
Cost of sales		30,700,000		27,102,000
Expenses:				
Sell., gen., & adm.		14,855,000		13,923,000
Res. & develop.		3,912,000		3,715,000
Other income		(2,713,000)		(2,696,000)
Income before taxes	$	10,575,000	$	11,405,000
Income taxes		3,509,000		4,155,000
Net Income	$	7,066,000	$	7,250,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,850,000 in 1989 and $2,452,000 in 1988.

Assets

As of July 31		1989		1988
Cash	$	18,026,000	$	10,097,000
Marketable securities		10,683,000		13,054,000
Accts. receiv., net		16,029,000		15,231,000
* Inventories		16,173,000		16,328,000
Prepaid expenses		2,953,000		2,860,000
Current Assets	$	63,864,000	$	57,570,000
Notes receivable		1,406,000		282,000
Investments		6,402,000		9,245,000
# Fixed assets		8,802,000		8,235,000
Other assets		280,000		197,000
Total Assets	$	80,754,000	$	75,529,000

Liabilities

		1989		1988
Accts. payable	$	1,657,000	$	1,582,000
Accrued payroll		1,352,000		2,277,000
Other accruals		5,112,000		4,435,000
Income taxes		2,083,000		2,732,000
Curr. Liabilities	$	10,204,000	$	11,026,000
+ Common stock		2,910,000		2,910,000
Add. paid-in capital		17,554,000		17,549,000
Retained earnings		50,220,000		44,151,000
Unreal. trans. adjust.		(134,000)		(107,000)
Total Liabilities & Shareholders' Equity	$	80,754,000	$	75,529,000

* At lower of cost (FIFO) or realizable value.
# Less accumulated depreciation.
+ No par value; $0.35 stated value.

Statistical Summary

%Income bef. Taxes to Sales		18.45		21.34
%Net Income to Sales		12.33		13.56
%Net Income to Equity		10.02		11.24
Sales to Inventories		3.54		3.27
Working Capital	$	53,660,000	$	46,826,000
Current Ratio		6.26		5.25
Shareholders' Equity	$	70,550,000	$	64,503,000

Newport Electronics, Inc.

2229 South Yale Street
Santa Ana, California 92704-4426
(714) 540-4914
FAX: (714) 546-3022

Note: The company is 35% owned by High Technology Holding Corp.

Officers: Milton B. Hollander, chairman, president & chief executive officer; Scott H. Wakeman, exec. v.p. & pres.-U.S. operations; Francis G. Shinsato, v.p.-finance & chief financial officer; James R. Lees, v.p.-Europe; Arthur B. Crozier, secretary.

Directors: Milton B. Hollander, Frederick Ezekiel, Frederick Ross, Rose Pothier, Arthur B. Crozier.

Areas of Work: Engaged in the design, manufacture and marketing of precision digital electronic measurement and control instruments, including digital panel voltmeters and digital temperature meters. Also manufactures complementary products such as two-wire transmitters, counters, other panel meters, printers, comparators, remote digital displays and a digital bus controller.

Subsidiaries:

Newport Electronics International, Inc. (FSC)
Santa Ana, California

Newport Electronics GmbH
7269 Deckenpfronn
Gaustrasse 28-30, Republic of Germany

Newport Electronique S.A.R.L.
9, rue Denis Papin
78190 Trappes, France

Newport Electronics B.V.
Postbus 8034
1180 LA Amstelveen
The Netherlands

Newport Electronics Ltd.
Cavendish Road
Stevenage, Hertfordshire SG1 2ET, United Kingdom

Transfer Agent(s):

U.S. Stock Transfer Corporation
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEWE (NASDAQ)

Number of Employees:

1989	190	1986	207
1988	239	1985	185
1987	218		

Plant Footage:

1989	66,600 sq. ft.	1986	40,000
1988	66,000	1985	35,000
1987	40,000		

Sales & Earnings

		Net Sales +		Net Income †
1989	$	17,345,000	$	(1,365,000)
1988		17,040,000		471,000
1987		14,958,000		661,000
1986		13,259,000		537,000
1985		11,062,000		265,000

	No. of Com. Shares		Earn. per Shares †x
1989	1,158,308	$	—
1988	1,110,468		0.41
1987	1,079,019		0.54
1986	1,173,333		0.44
1985	1,188,073		0.22

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $26,000 ($0.02 per share) in 1986 and $88,000 ($0.07 per share) in 1985.
x Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	5,172,000	$	4.47
1988		6,346,000		5.71
1987		5,783,000		5.36
1986		5,425,000		4.62
1985		4,951,000		4.13

Income Account*
(000's)

Year ended Dec. 31		1989		1988
Net sales	$	17,345,000	$	17,040,000
Cost of sales		9,434,000		8,475,000
Res. & develop.		1,180,000		1,196,000
Sell., gen., and adm. exp.		7,618,000		6,387,000
Interest expense		478,000		119,000
Inc. (loss) bef. taxes	$	(1,365,000)	$	863,000
Income taxes		—		392,000
Net Income (Loss)	$	(1,365,000)	$	471,000

* Included in Costs and Expenses, Depreciation and Amortization: $742,000 in 1989 and $514,000 in 1988.

Assets
(000's)

As of Dec. 31		1989		1988
Cash	$	718,000	$	379,000
Accts. & notes receiv., net		3,531,000		3,586,000
*Inventories		2,379,000		3,156,000
Restricted cash		1,215,000		—
Prepaid expenses		271,000		371,000
Current Assets	$	8,114,000	$	7,492,000
Restricted cash		—		6,131,000
#Fixed assets		7,128,000		2,434,000
Other assets		766,000		1,078,000
Total Assets	$	16,008,000	$	17,135,000

Liabilities

		1989		1988
Notes payable	$	1,750,000	$	1,800,000
Long-term debt, curr.		6,425,000		202,000
Accts. payable		1,443,000		1,174,000
Accruals		992,000		915,000
Income taxes		—		82,000
Current Liabilities	$	10,610,000	$	4,173,000

Deferred income taxes	137,000	115,000
Representative indemnity	89,000	77,000
Long-term debt	—	6,424,000
+Common stock	11,000	11,000
Add. paid-in capital	1,578,000	1,387,000
Retained earnings	3,583,000	4,948,000
Total Liabilities & Shareholders' Equity	$ 16,008,000	$ 17,135,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.06
%Net Income to Sales	—	2.76
%Net Income to Equity	—	7.42
Sales to Inventories	7.29	5.40
Debt to Equity	1.58	1.33
Working Capital	—	$ 3,319,000
Current Ratio	—	1.80
Shareholders' Equity	$ 5,172,000	$ 6,346,000

Nicolet Instrument Corporation

5225 Verona Road
Madison, Wisconsin 53711-4495
(608) 271-3333
FAX: (608) 273-6818

Officers: O.E. Powers, chairman, president & chief exec. officer; Peter McKane, exec. v.p.-chief operating officer; Richard J. Cushing, vice president; Robert C. Joseph, sr. v.p.-chief technology officer; Dale C. Davig, v.p.; Kurt Hecox, v.p.; Alan Lord, v.p.; Mark R. Parman, v.p.; Robert Terrio, v.p.; David B. Wescoe, v.p., general counsel & secretary; Gerald G. Brew, corp. controller.

Directors: L.V. Ackman, John G. Bollinger, Jeanette Grasselli, Odell E. Powers, John Nils Hanson, Roger L. Headrick, Richard W. Schoenke, Gordon M. Sprenger, Peter S. Willmott.

Areas of Work: Designs, manufactures and markets electronic instruments for measurement, analysis and display applications. Analytical instruments include infrared spectrometers, data acquisition systems, mass spectrometers, and x-ray diffractometers and imaging systems; Test instruments include digital oscilloscopes, integrated development instruments, logic analyzers and related accessories; Biomedical instruments include electro-diagnostic testing systems, medical data acquisition systems and related accessories. Also produces hearing diagnostic equipment and hearing aid devices.

Divisions and Subsidiaries:

Nicolet X-Ray Products
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Instrument GmbH
Senefelderstrasse 162
D-6050 Offenbach am Main, West Germany

Nicolet Instruments Limited
Budbrooke Road
Warwick, Warwickshire CV34 5XH, England

Nicolet Instrument Canada Limited
1-1200 Aerowood Drive
Mississauga, Ontario L4W 2S7, Canada

Nicolet Analytical Division
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Biomedical Division
5225 Verona Road
Madison, Wisconsin 53711
(608) 271-3333

Test Instruments Division
Madison, Wisconsin
Manufactures digital oscilloscopes and logic analyzers as well as disk drive testers, in-circuit emulators, and application-specific test systems.

Audiodiagnostics Division
Manufactures hearing diagnostic equipment as well as improved hearing aid devices.

Nicolet Japan Corporation
Daisho Building 8-7-6 Chome
Nishi-Nakajima, Yodogawa-ku
Osaka 532, Japan

Nicolet Instrument S.A.R.L.
Z-1 Les Gatines
Rue Elsa Triolet
78370 Plaisir, France

Nicolet Instrument-FSC, Inc.
U.S. Virgin Islands

Nicolet Xentronics Corporation
Manufactures area detectors and other accessories for the X-ray diffraction market.

Braintech, Inc.
Developing BEAM (Brain Electrical Activity Mapping) technology.

Nicolet Paratronics Corporation
Manufacturer of logic analyzers.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): New York

Ticker Symbol: NIC

Number of Employees:

1990	1,000	1987	1,128
1989	1,015	1986	1,069
1988	1,212		

Plant Footage:

1990	284,700 sq. ft.	1989	284,700

Sales & Earnings

	Net Sales +	Net Income
1990	$ 125,915,000	$ 3,315,000
1989	133,761,000	(20,697,000)
1988	143,746,000	(4,368,000)
1987	120,203,000	14,469,000
1986	105,571,000	2,855,000

	No. of Com. Shares #	Earn. per Share #
1990	6,700,000	$ 0.50
1989	6,500,000	—
1988	6,500,000	—
1987	6,600,000	2.19
1986	6,500,000	0.44

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	
1988	—	—	—
1987	0.09	—	—
1986	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 55,975,000	$ 8.36
1989	52,181,000	7.86
1988	70,273,000	11.05
1987	78,586,000	12.02
1986	65,180,000	9.96

Income Account *
(000's)

Year ended	3/30/90	3/31/89
Revenues:		
Equipment sales	$ 110,716	$ 120,096
Service & other revenues	15,199	13,665
Total revenues	$ 125,915	$ 133,761
Cost of revenues	60,899	70,732
Expenses	57,094	62,776
Loss from invest. in joint venture	615	761
Prov. for organiz. restruc.	—	4,761
Interest income	(323)	(161)
Interest expense	2,123	2,274
Inc. (loss) bef. taxes	$ 5,507	$ (7,382)
Income taxes (credit)	1,377	(538)
Inc. (loss)-cont. oper.	$ 4,130	$ (6,844)
Loss-discont. oper.	(815)	(13,853)
Net Income (Loss)	$ 3,315	$ (20,697)

* Included in Costs and Expenses, Depreciation and Amortization: $6,053,000 in 1989 and $6,403,000 in 1988.

Assets
(000's)

As of	3/30/90	3/31/89
Cash & cash equiv.	$ 5,183	$ 5,191
Receiv., net	32,393	30,388
*Inventories	38,127	26,175
Deposits	1,074	968
Recov. inc. taxes	523	3,401
Sundry	1,177	1,731
Current Assets	$ 78,477	$ 67,854
#Fixed assets	20,461	20,708
Intangibles, net	4,580	6,082
Invest. in joint venture	—	6,648
Other assets	1,691	2,489
Total Assets	$ 105,209	$ 103,781

Liabilities
(000's)

Notes payable	$ 1,078	$ 251
Long-term debt, curr.	1,000	—
Accts. payable	8,843	9,489
Employee compens.	3,942	3,481
Income taxes	2,600	3,225
Unearned revenue	3,857	4,510
Provision for reorganization	1,214	2,720
Accrued warranties	1,761	1,772
Other accruals	5,570	5,895
Curr. Liabilities	$ 29,865	$ 31,343
Long-term debt	18,210	19,407
Other liabilities	1,159	850
+Common stock	1,674	1,659
Add. paid-in capital	42,834	42,185
Retained earnings	11,869	8,554
Unearned comp.	(766)	(951)
Cum. trans. adj.	364	734
Total Liabilities & Shareholders' Equity	$ 105,209	$ 103,781

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	5.92	—
Sales to Inventories	2.90	4.59
Debt to Equity	0.36	0.38
Working Capital	$ 48,612,000	$ 35,661,000
Current Ratio	2.63	2.11
Shareholders' Equity	$ 55,975,000	$ 52,181,000

Nippon Mining Company, Limited

10-1, Toranomon 2-chome, Minato-ku
Tokyo 105, Japan
03-505-8111
FAX: 03-505-8094

Directors: Yukio Kasahara, chairman of the board & representative director; Tatsuo Nakamura, president & representative director; Hironori Kohno, exec. v.p.; Shin-ichi Ishigaki, exec. v.p.; sr. managing directors: , Hiroshi Yasui, Masakazu Yuasa, Takashi Sakamoto, Takeji Fukuda, Yutaka Yuge, managing directors: , Takuzo Ogawa, Ishio Miyazawa, Kensaburo Matsuda, Hidenao Munetaka, Hideo Hirayama, Kimihiko Imai, Akihiko Nomiyama, Jun Asanuma.

Areas of Work: The Company is engaged in nonferrous metal mining, smelting and refining, natural gas production, production of chemicals, petroleum refining, petrochemical production, nonferrous metal and special alloy fabrication, and electonic and specialty metal production.

Consolidated subsidiaries:

Nikko Shoji Co., Ltd.
Trading and marketing.

Nikko Consulting and Engineering Co., Ltd.
Engineering, planning, surveying and consulting.

Toyoha Mines Co., Ltd.
Mining (gold, silver, lead, zinc).

Tomakomai Chemical Co., Ltd.
Production of sulphuric acid.

Nikko Liquefied Gas Co., Ltd.
Import, storage and sales of LPG.

Nikko Oil Sales Co., Ltd.
Marketing of petroleum products.

Nippon Marine Co., Ltd.
Marine transportation.

Nippon Mining (Bermuda) Ltd.
Marketing of crude oil and petrochemical products.

Chita Oil Co., Ltd.
Marketing of aromatic petrochemical products.

Nikko Zinc Co., Ltd.
Manufacture of zinc.

NMC Finance Co., Ltd.
Financial business.

Nikko Exploration and Development Co., Ltd.
Consulting for surveys and exploration of nonferrous metals, geological surveys.

Koltron Corp.
Manufacture of leadframes and other electronic parts.

Contact International Corp.
Manufacture of leadframes and other electronic parts.

Petrocokes Ltd.
Manufacture of petroleum coke.

Nikko Gould Foil Co., Ltd.
Manufacture of copper foil.

Nippon Mining U.S. Inc.
Holding company of Gould Inc.

Gould Inc.
(including 41 subsidiaries)
Manufacture of electronic materials and components.

Number of Employees:

1989 5,358

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	¥ 863,276,000	¥ 13,679,000
1988	807,192,000	7,487,000

	No. of Com. Shares	Earn. per Share +
1989	788,111,000	¥ 16.54
1988	865,688,000	9.50

¥ - Yen
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Petroleum products	58.2 %	64.8 %
Nonferrous metals, precious metals & sulfuric acid	21.4	20.3
Fabricated metal prods.	7.8	6.2
Electronic & specialty metals	4.9	3.1
Other	7.7	5.6
Total	100.0 %	100.0 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 4.00	—	—
1988	3.64	—	

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	¥ 147,191,000	¥ 186.76
1988	96,825,000	111.85

Income Account
(000's)

Year ended Mar. 31	1989	1988
Net sales	¥ 863,276,000	¥ 807,192,000
Cost of sales	759,355,000	733,049,000
Expenses	63,269,000	53,816,000
Interest expense	24,354,000	23,905,000
Interest income	(5,144,000)	(3,154,000)
Other income	(5,740,000)	(25,133,000)
Special items	6,163,000	7,647,000
Income before taxes	¥ 21,019,000	¥ 17,062,000
Income taxes	9,626,000	11,833,000
Minority interest	464,000	20,000
Amort. of cost in exc. of assets of subsid.	680,000	460,000
Eq. in earn. of subsid.	(3,430,000)	(2,738,000)
Net Income	¥ 13,679,000	¥ 7,487,000

Assets
(000's)

As of Mar. 31	1989	1988
Cash	¥ 89,834,000	¥ 72,939,000
Marketable securities	44,905,000	19,033,000
Accts. receiv., net	167,488,000	146,113,000
*Inventories	124,065,000	114,157,000
Other curr. assets	33,107,000	23,467,000
Current Assets	¥ 459,399,000	¥ 375,709,000
Investments	130,480,000	103,061,000
#Fixed assets	244,943,000	206,167,000
Intangibles	96,608,000	709,000
Defer. charges	984,000	—
Cost in exc. of assets of sub.	—	115,000
Translation adjustment	—	139,000
Other assets	3,364,000	3,206,000
Total Assets	¥ 935,778,000	¥ 689,106,000

Liabilities
(000's)

Notes payable	¥ 267,613,000	¥ 230,506,000
Long-term debt, curr.	30,077,000	29,425,000
Accts. payable	107,951,000	66,337,000
Accruals	34,426,000	10,658,000
Accrued income taxes	17,929,000	13,245,000
Other current liabilities	29,135,000	32,362,000
Current Liabilities	¥ 487,131,000	¥ 382,533,000
Long-term debt	263,223,000	192,126,000
Minority interest	708,000	244,000
Accrued severance benefits	13,032,000	13,442,000
Allow. for repairs	1,100,000	—
Other liabilities	17,301,000	3,936,000
Translation adjustment	6,092,000	—
+Common stock	61,869,000	43,077,000
Add. paid-in capital	31,251,000	12,484,000
Legal reserve	7,041,000	6,739,000
Retained earnings	47,256,000	34,560,000
Treasury stock	(226,000)	(35,000)
Total Liabilities & Shareholders' Equity	¥ 935,778,000	¥ 689,106,000

* At cost (primarily LIFO).
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.43	2.11
% Net Income to Sales	1.58	0.93
% Net Income to Equity	9.29	7.73
Sales to Inventories	6.96	7.07
Debt to Equity	3.81	4.67
Shareholders Equity (000's)	¥ 147,191,000	¥ 96,825,000

Nixdorf Computer AG

Firstenallee 7
Paderborn D-4790 Federal Republic of Germany,
(02521) 506110

Supervisory Board: Gerhard Schmidt, Jurgen Robler, Paul Heggemann, Wolfgang Henseler, Walter Kreib, Gerhard Kruger, Wolfgang Raum, Helmut Rausch, Gunther Sabmannshausen, Ludwig Schneider, Klaus Schwab, Jurgen Sengera, Ulrich Starke, Christa Stracke, Marianne Thomann-Stahl, Herbert Zapp, Karin Benz-Overhage, Udo Bohnke, Jurgen Heraeus, Helmut Hohmeyer, Heinrich J. Klein, Gotz Klingenburg, Martin Nixdorf, Ulrich Plattmann, Wolfgang Reitzle, Franz Tolle.

Executive Directors: Klaus Luft, chairman; Arno Bohn, vice chairman; Hartmut Fetzer, Albert Holler, Horst Nasko, Karlheinz Voll, Sven Kado.

Areas of Work: Designs, develops, manufactures and markets computers arranging from hand-held computers and PCs to network systems and super-minicomputers; telecommunications systems, including PABXs, digital telephones, videotex-telephone terminals, voice boxes, and facsimile machines; point-of-sales systems for retailers; self-service equipment such as statement printers, ATMs and terminals for financial transactions for the banking industry; self-service ticket printers for the airlines industry; factory automation systems; and a variety of standard program and applications software.

Subsidiaries (North America):

Nixdorf Computer Corporation

Eastern Regional Corporation
300 Third Avenue
Waltham, Massachusetts 02154
(617)890-3600

Western Regional Office
6120 Bristol Parkway
Culver City, California 90230
(213) 642-0030

Nixdorf Computer Engineering Corporation
52 Third Avenue
Burlington, Massachusetts 01803
(617) 273-0480

Nixdorf Computer Software Corporation
6517 Everglades Drive
Richmond, Virginia 23225
(804) 276-9200

Nixdorf Computer Canada Ltd.
1131 Leslie Street
Third Floor, Don Mills
Toronto, Ontario M3C 3L8, Canada
(416) 449-0035

Stock Exchange(s): German, Swiss, Austrian and French stock exchanges.

Number of Employees

1988	31,037	1986	25,576
1987	29,440	1985	23,290

Sales & Earnings

	Revenues (000's)	Net Income # (000's)
1988	DM 5,347,000	DM 26,000
1987	5,071,000	264,000
1986	4,503,000	222,000
1985	3,926,000	172,000
1984	3,273,000	121,000

	No. of Com. Shares	Earn. per Share #
1988	5,601,122	DM 4.64
1987	5,601,122	47.13

DM - deutsche mark
# Including extraordinary gain of DM 152,827,000 (DM 27.29 per share) in 1988.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	DM	10–	—
1987		10—	
1986		10—	—
1985		10—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1988	DM 2,562,000	DM457.41
1987	2,703,000	482.58
1986	2,347,000	—
1985	1,963,000	—
1984	1,164,000	—

‡ After allowing for preferred stock at par value.

Income Account
(000's)

Year Ended Dec. 31	1988	1987
Revenues	DM 5,346,807	DM 5,070,656
Other income	769,608	497,942
Total income	DM 6,116,415	DM 5,568,598
Cost of sales	2,239,743	1,711,590
Personnel expense	2,093,311	1,807,748
Depreciation & amortization	362,672	374,065
Expenses	1,420,217	1,312,965
Loss from investments	2,079	1,193
Depreciation on fin. assets	669	—
Interest expense	57,489	30,461
Inc. (loss) bef. taxes	DM (59,765)	DM 330,576
Income taxes	66,659	66,413
Net Income (Loss)	DM (126,424)	DM 264,163
Extraord. gain	152,827	—
Net Income (Loss) & extraord. gain	DM 26,403	DM 264,163

Assets
(000's)

As of Dec. 31	1988	1987
Cash	DM 207,430	DM 736,121
Marketable securities	—	72,318
Accts. receiv., net	1,503,339	1,283,382
*Inventories	1,247,645	1,033,131
Current Assets	DM 2,958,414	DM 3,124,952
#Fixed assets	1,865,779	1,653,152
Deferred taxes	—	23,655
Other assets	11,567	8,291
Total Assets	DM 4,835,760	DM 4,810,050

Liabilities
(000's)

	1988	1987
Accrued pensions	DM 108,295	DM 92,308
Accrued taxes	74,396	71,367
Other accruals	483,681	334,281
Current Liabilities	DM 666,372	DM 497,956
Bonds with equity warrants	500,000	500,000
Other liabilities	817,386	823,423
Deferred income	10,248	6,146
+Preferred stock	28,056	280,056
+Common stock	280,056	280,056
Capital reserve	2,057,760	2,049,865
Earning reserves	183,697	191,369
Reserve for variances - cap. consolidation	—	48,085
Minority interest	17,781	21,072
Unapprop. retained earnings	22,404	112,022
Total Liabilities & Shareholders' Equity	DM 4,835,760	DM 4,810,050

* At lower of acquisition cost or going value. Work in progress and finished products are valued at cost.
# Less accumulated depreciation.
+ DM50 par value.

Statistical Summary

	1988	1987
% Income bef. Taxes to Sales	—	6.52
% Net Income to Sales	—	5.21
% Net Income to Equity	—	8.86
Debt to Equity	0.18	0.17
Working Capital (000's)	DM 2,292,042	DM 2,626,996
Current Ratio	4.44	6.28
Shareholders Equity (000's)	DM 2,841,754	DM 2,982,525

North American Philips Corporation

100 East 42nd Street
New York, New York 10017
(212) 850-5000
FAX: (212) 850-5362

(As of November 2, 1987, the Company became an indirect wholly owned subsidiary of N.V. Philips of the Netherlands.)

Officers: Gerrit Jeelof, chairman & chief executive officer; Einor Kloster, president & chief exec. officer; A. Baan, exec v.p.; J.F.M. Haarsma, exec. v.p. & chief financial officer; Stephen C. Tumminello, pres. & chief exec. officer; Daniel F. Minahan, exec. vice pres.; Patrick J. Greaney, vice president; T.A. Briody, vice president; Albert A. Ruttner, vice president; Donald L. Hamilton, vice president; Larry J. French, vice president; J.F. Kelly, v.p. & asst. secretary; Paul S. Friedlander, vice president; P.M. Kelly, vice president; Bruce D. Bengston, vice president; Arthur J. Dojan, vice president; Stanley I. Cundey, Jr., v.p. & treasurer; Denis J. Riordan, staff vice president; Emil J. Misisco, staff vice president; James Mooney, vice president; T.B. Patton, vice president; S.J. Rozel, v.p., secretary, general counsel & chief legal officer; D.L. McClister, vice president & controller; F.E. Stein, staff vice president.

Directors: Gerrit Jeelof, chairman; Edward J. Boling, Cees Bruynes, Joseph A. Rice, Fletcher L. Byron, Frank Chapman, Robert G. Dettmer, Robert L. Newell, Pieter C. Vink, Hamilton B. Mitchell, Robert A. Powers, William M. Rees, Charles S. Minter, Jr., R. J. Ventres, Scott C. Lea, Johannes Zantman.

Areas of Work: The Company is engaged in four basic areas: consumer products; electrical/electronic components; lighting products, and professional equipment. Products included Magnavox, Philco and Sylvania home entertainment products, Norelco electric razors and coffee makers, Philips lamps, medical systems, and electronic instruments, Genie garage door openers, Ohmitre resistors, Dialight indicators, Selmer musical instruments, and Plumbicon TV camera tubes, among others.

Divisions and Subsidiaries:

Advance Transformer Company
2950 North Western Avenue
Chicago, Illinois 60618

Ballasts for fluorescent and high intensity discharge lamps; dimming and control systems; power units for microwave cooking.

Amperex Electronic Corporation
Slatersville, Rhode Island

Electron tubes, electro-optical devices; semiconductors; integrated circuits; electronic components.

Norelco Consumer Products Division
Stamford, Connecticut

Norelco electric shavers; hearing aids; personal care and home appliances; electrical housewares; tape recorders and blank cassettes; AKG microphones and headphone; Norelco Service, Inc. for service, parts and accessories.

Philips Consumer Electronics Company
Knoxville, Tennessee

Manufactures home entertainment products including complete television-stereo consoles, radio-phonograph components and components systems, portable table and clock radios, tape recorders, cassette changers and accessories.

Magnavox Government and Industrial Electronics Company
1700 Magnavox Way
Fort Wayne, Indiana 46804

Engaged in the areas of defense communications, minicomputers and computer terminals, airborne submarine surveillance systems and position-location and navigation systems.

Magnavox Advanced Products and Systems Company
Torrance, California

Magnavox Electronic Systems Company
Fort Wayne, Indiana

Airpax Corporation
Cheshire Industrial Park
Cheshire, Connecticut 06410

Electro-mechanical and electronic timing and control systems; timing, control and stepper motors; aircraft timing systems; microminiature and subminiature electro-mechanical and electronic relays.

Philips Lighting Company
Somerset, New Jersey

Mercury vapor lamps, sodium lighting products, reflector-type lamps; projections lamps for movies and slides; spotlights and floodlights; flashbulbs; miniature and subminiature lamps; special discharge lamps; lighting fixtures.

North American Philips Corporation

Philips Business Systems, Inc.
Woodbury, New York 11797
Dictation systems including desk, portable and pocket models; intercom equipment; pocket paging systems; office computers and peripherals.

Philips Electronic Instruments, Inc.
Mahwah, New Jersey 11797
Analytical instrumentation and systems; transmission electron microscopes; X-ray diffraction and spectroprahic equipment; X-ray radiographic equipment; IRS, UV, VIS and AA spectrophotometers; liquid chromatographs; air and water polllution monitors; X-ray baggage inspection equipment; canning electron microscopy

Mepco/zCentralab, Inc.
Rivera, Florida

Philips Laboratories
345 Scarborough Road
Briarcliff Manor, New York 10510
Research and development in electro-optics with related programs in solid state electronics and instrumentation.

Anchor Brush Company, Inc.
Montgomery, Illinois

Philips Display Components Company, Inc.
Ann Arbor, Michigan

Magnavox CATV Systems, Inc.
Manlius, New York

Philips Medical Systems North America
710 Bridgeport Avenue
Shelton, Connecticut 06484
Diagnostic and therapeutic X-ray systems for medical, dental, podiatry and veterinary applications; medical electronic systems; hospital planning and equipment and supplies consulting.

The Genie Company
Akron, Ohio

Number of Employees:

1989	52,000	1986	50,400
1988	57,200	1985	51,800
1987	56,800		

Plant Footage:

1989	N.A.	1987	20,860,000
1988	17,000,000 sq. ft		

N.A.- Not Available

Sales & Earnings x

	Net Sales (000's)	Net Income † (000's)
1988	$ 5,423,500	$ 79,100
1987	5,058 800	(30,600)
1986	4,635,800	16,500

	No. of Com. Shares	Earn. per Share †
1988	1,243	$ —
1987	1,243	—
1986	29,000,000	0.57

(Loss)
x All of the professional product and component operations of U.S. Philips Corp. and the consumer electronics operations of Philips Optical Storage Corporation, were merged with and into North American Philips. Such merger has been accounted for in a manner similar to a pooling of interests, and the consolidated financial statements have been restated.
† Including extraordinary gain of $1,900,000 in 1987.

Revenues by Line of Business
(000's)

	1988	1987
Consumer products:		
Consumer electronics	$ 1,710,800	$ 1,489,400
Electrical consumer prods.	929,200	913,700
Additional consumer prods.	164,200	138,400
Electrical & electronic comp.	1,711,500	1,553,500
Professional equipment	907,800	963,800
Total	$ 5,423,500	$ 5,058,800

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	0.75	—	
1986	1.00	—	—

Common Stock Equity x

	Total Equity (000's)	Equity Per Share
1988	$ 1,582,700	$ —
1987	1,371,000	—
1986	1,379,700	47.58

x Restated.

Income Account *
(000's)

Year ended Dec. 31	1988	1987‡
Net sales	$ 5,423,500	$ 5,058,800
Cost of sales	4,360,400	4,059,100
Expenses	957,900	877,300
Interest expense	43,600	68,600
Restruc. of oper.	(19,500)	22,500
Other expense (income)	7,500	(600)
Income before taxes	$ 73,600	$ 31,900
Income taxes (credit)	(4,200)	13,600
Dividend payable on stock of subsid.	—	12,700
Minority interest	(1,300)	(7,300)
Inc.-cont. oper.	$ 79,100	$ 12,900
Loss-discont. oper.	—	(45,400)
Net Income (Loss)	$ 79,100	$ (32,500)
Extraord. gain	—	1,900
Net Income (Loss) & extraord. gain	$ 79,100	$ (30,600)

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $198,300,000 in 1988 and $201,100,000 in 1987.

Assets
(000's)

As of Dec. 31.	1988	1987‡
Cash	$ 46,900	$ 74,100
Accts. & notes receiv., net	850,300	785,900
Deferred tax benefits	—	98,000
* Inventories	999,700	1,000,400
Prepaid expenses	30,800	29,500
Due from affil.	51,600	132,900
Current Assets	$ 1,979,300	$ 2,120,800
#Fixed Assets	1,113,500	1,063,900
Due from affil.	217,800	170,300
Other assets	112,100	109,800
Total Assets	$ 3,422,700	$ 3,464,800

Liabilities
(000's)

Notes payable	$ 74,900	$ 143,600
Accts. payable	299,500	281,000
Accruals & other curr. liabilities	604,900	551,500
Income taxes	22,500	32,400
Due to N. V. Philips & affils.	119,100	81,900
Curr. Liabilities	$ 1,120,900	$ 1,090,400
Long-term debt	440,900	605,200
Deferred income taxes	—	109,100
Other liabilities	66,200	77,100
+Redeem. pref. stock	212,000	212,000
Add. paid-in capital	820,900	688,300
Retained earnings	761,800	682,700
Total Liabilities & Shareholders' Equity	$ 3,422,700	$ 3,464,800

‡ Restated.
* At lower of cost (FIFO) or market. Electronics inventories at LIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.36	—
%Net Income to Sales	1.46	—
%Net Income to Equity	5.00	—
Sales to Inventories	5.43	5.06
Debt to Equity	0.33	0.55
Working Capital	$ 858,400,000	$ 1,030,400,000
Current Ratio	1.77	1.94
Shareholders' Equity	$ 1,582,700,000	$ 1,371,000,000

North Atlantic Industries, Inc.

60 Plant Avenue
Hauppauge, New York 11788
(516) 582-6500

Officers: Malcolm D. Widenor, chairman of the board & chief executive officer; Robert A. Carlson, president and chief operating officer; Walter Lipkin, sr. v.p. & secretary; Richard A. Schneider, v.p.-finance.

Directors: Walter Lipkin, Malcolm D. Widenor, John D. May, Robert Rosenthal, Robert A. Carlson.

Areas of Work: Manufactures electronic instrumentation for the measurement of complex A.C. signals; manufactures computer peripherals, printers, and angle position indicators.

Divisions and Subsidiaries:

Printer Products Division
Engaged in the production of dot matrix, Tempest dot matrix and Tempest laser printers.

Instrument Division
Instrument products include specialized analog/digital signal processing equipment used for measurement test, control and maintenance in the aerospace, military and commercial avionic markets.

Military Products Division
Designs, develops and markets militarized computer peripherals.

Transfer Agent(s):

The American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NATL (NASDAQ)

Number of Employees:

1988	319	1986	516
1987	355	1985	467

Plant Footage:

1988	131,000 sq. ft.	1985	138,000
1987	154,000	1984	139,600
1986	154,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 32,320,000	$ 1,019,000
1987	32,698,000	(5,884,000)
1986	35,242,000	1,409,000
1985	31,563,000	1,038,000
1984	26,198,000	1,393,000

	No. of Com. Shares +	Earn. per Share +
1988	3,487,000	$ 0.29
1987	3,559,000	—
1986	3,559,000	0.40
1985	3,505,000	0.30
1984	3,489,000	0.40

+ Based on the average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 13,592,000	$ 3.90
1987	12,573,000	3.53
1986	18,238,000	5.12
1985	16,592,000	4.73
1984	15,370,000	4.41

+ Based on the average number of common shares outstanding.

Income Account *

Year ended	12/31/88	1/2/88
Net sales	$ 32,320,000	$ 32,698,000
Cost of sales	22,286,000	23,452,000
Expenses	8,344,000	7,987,000
Interest income	(159,000)	(76,000)
Interest expense	828,000	729,000
Gain on sale of prop.	(5,000)	—
Income before taxes	$ 1,026,000	$ 606,000
Income taxes	7,000	199,000
Income-cont. oper.	$ 1,019,000	$ 407,000
Loss.-discont. oper.	—	(6,291,000)
Net Income (Loss)	$ 1,019,000	$ (5,884,000)

* Included in Costa and Expenses, Depreciation and Amortization: $1,123,000 in 1988 and $1,192,000 in 1987.

Assets

As of	12/31/88	1/2/88
Cash	$ 451,000	$ 344,000
Accts. receiv, net	7,915,000	6,705,000
Notes receivable	2,078,000	358,000
Income taxes	14,000	1,774,000
*Inventories	8,008,000	8,091,000
Assets-discont. oper.	—	2,160,000
Other curr. assets	312,000	221,000
Current Assets	$ 18,778,000	$ 19,653,000
#Fixed assets	7,171,000	7,892,000
Assets-discont. oper.	—	1,355,000
Other assets & deposits	248,000	210,000
Total Assets	$ 26,197,000	$ 29,110,000

Liabilities

Notes payable	$ 5,800,000	$ 6,127,000
Long-term debt, curr.	396,000	852,000
Accts. payable	2,118,000	2,932,000
Accrued payroll & commissions	314,000	362,000
Accrued pension expense	—	220,000
Other accruals	896,000	1,778,000
Deferred income taxes	192,000	192,000
Other curr. liab.	100,000	153,000
Curr. Liabilties	$ 9,816,000	$ 12,616,000
Long-term debt	2,789,000	3,658,000
Redeem. preferred stock	—	263,000
+Common stock	349,000	349,000
Add. paid-in capital	7,458,000	7,458,000
Retained earnings	5,795,000	4,776,000
Treasury stock	(10,000)	(10,000)
Total Liabilities & Shareholders' Equity	$ 26,197,000	$ 29,110,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.17	—
% Net Income to Sales	3.15	—
%Net Income to Equity	7.50	—
Sales to Inventories	4.04	4.04
Debt to Equity	0.66	0.85
Working Capital	$ 8,962,000	$ 7,037,000
Current Ratio	1.91	1.56
Shareholders' Equity	$ 13,592,000	$ 12,573,000

North Hills Electronics, Inc.

1 Alexander Place
Glen Cove, New York 11542
(516) 671-5700
FAX: (516) 759-3327

Officers: Leo Staschover, chairman; Howard G. Anders, president & treasurer; John F. Wilkens, secretary.

Directors: Leo Staschover, chairman; Howard G. Anders, Joe P. Schindler, Morton Langer.

Areas of Work: Engaged in the design, development, manufacture and sale of high voltage and high current electronic power products and sources, computer networking and wideband signal processing devices.

Divisions:

Communications Products Division
Power Products Division
Special Products Division

Subsidiaries:

Displex, Inc.
Glen Cove, New York
Markets uninterruptible power supplies and a series of power line conditioners.

North Hills Israel, Ltd.
38 Hayashim Street
Yokneam, Israel
Designs and manufactures Mil-Spec power supplies.

North Hills Trading, Ltd.
38 Hayashim Street
Yokneam, Israel
Functions as a sales representative for several U.S. companies, including North Hills Electronics.

Transfer Agent(s):

American Stock Transfer
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NOHL (NASDAQ)

Number of Employees:

1990	120	1987	N.A.
1989	190	1986	95
1988	150		

Plant Footage:

1990	49,000 sq. ft.	1987	N.A.
1989	49,000	1986	24,000
1988	32,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales †	Net Income
1990	$ 12,744,478	$ 338,965
1989	12,083,860	339,821
1988	8,337,000	(477,787)
1987	4,102,000	(1,278,546)
1986	2,471,000	(844,870)

	No. of Com. Shares	Earn. per Share #
1990	2,686,812	$ 0.13
1989	2,686,812	0.13
1988	2,686,412	—
1987	2,654,412	—
1986	2,654,412	—

(Loss)
† Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 5,290,492	$ 1.97
1989	4,951,527	1.84
1988	4,611,006	1.72
1987	5,026,659	1.89
1986	6,301,699	2.37

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 12,744,478	$ 12,083,860
Cost of sales	7,352,094	7,222,594
Expenses	4,406,261	4,060,595
Other income	(2,474)	(34,426)
Interest expense	590,405	447,276
Income bef. taxes	$ 398,465	$ 387,821
Income taxes	59,500	48,000
Net Income	$ 338,965	$ 339,821

* Included in Costs and Expenses, Depreciation and Amortization: $416,994 in 1990 and $435,032 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 328,892	$ 531,282
Accts. receiv., net	2,318,815	2,000,233
*Inventories	5,520,133	3,980,517
Refundable income taxes	17,136	9,171
Prepaid expenses	405,739	280,354
Current Assets	$ 8,590,715	$ 6,801,557
#Fixed assets	3,399,677	3,392,460
Goodwill	394,864	406,744
Deferred charges	374,680	142,447
Other assets	813,771	316,072
Total Assets	$ 13,573,707	$ 11,059,280

Liabilities

Long-term debt, curr.	$ 84,000	$ 164,644
Notes payable	—	1,951,267
Accts. payable	1,091,191	971,221
Accruals	616,095	411,519
Due to related parties	135,000	—
Curr. Liabilities	$ 1,926,286	$ 3,498,651
Long-term debt	6,356,929	2,609,102
+Common stock	26,868	26,868
Add. paid-in capital	4,688,516	4,688,516
Retained earnings	575,108	236,143
Total Liabilities & Shareholders' Equity	$ 13,573,707	$ 11,059,280

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.13	3.21
%Net Income to Sales	2.66	2.81
%Net Income to Equity	6.41	7.37
Sales to Inventories	2.31	3.04
Debt to Equity	1.22	1.02
Working Capital	$ 6,664,429	$ 3,302,906
Current Ratio	4.46	1.94
Shareholders' Equity	$ 5,290,492	$ 4,951,527

Northern Telecom Limited

(52.5% owned by BCE Inc.)

3 Robert Speck Parkway
Mississauga, Ontario, Canada L4Z 3C8
(416) 897-9000
FAX: (416) 275-1143

Officers: Edmund B. Fitzgerald, chairman; David G. Vice, vice chairman-products & technology; Paul G. Stern, vice chairman of the board, president & chief executive officer; John A. Roth, exec. v.p.-product line mgmt.; Clive V. Allen, sr. v.p. & gen. counsel; Stephen N. Bowen, sr. v.p.-public affairs; J. Derek M. Davies, exec. v.p.-corporate strategy; John P. Strimas, v.p.-corp. relations; Gary R. Donahee, sr. v.p.-human resources; L. C. Beaumont, sr. v.p.-technology; Martin G. Mand, sr. v.p.-finance; Philip T. Erickson, v.p.-patents & licenses; Margaret G. Kerr, v.p.-environment, health and safety; Anthony J. Lafleur, v.p., associate general counsel & asst. secretary; Klaus M. Buechner, v.p.-product performance; David L. Burn, v.p.-taxation; Charles M.H. Shiu, v.p.; R. Peter Washburn, v.p.-public affairs; Kenneth M. Calmenson, v.p.-business development; Wayne R. Lasson, v.p.-operations; James E. Wilkinson, v.p. & treasurer; Charles B. Baker, v.p.-market development; Robert N. Neumeister, Jr., v.p. & controller.

Directors: Ian A. Barclay, O. Bradford Butler, A. Jean de Grandpre, Edmund B. Fitzgerald, Donald S. Harvie, Robert S. Hurlbut, Walter F. Light, Paul F. Oreffice, Charles Perrault, Walter M. Robinson, Jr., Donald J. Schuenke, E. Peter Lougheed, Bowie K. Kuhn, David G. Vice, J. Peter Gordon, Betty Kennedy, Sir David L. Nicolson, Paul G. Stern, Frank C. Carlucci, III, J. V. Raymond Cyr.

Areas of Work: Electromechanical and electronic analog and digital switching systems; cable systems; optoelectronic systems; channel banks; repeaters; fuses; relays; dryreed relays; power equipment; printed-circuit boards and packs; step-by-step switching systems; sheet metal and piece parts; networks and sensors; residential and business telephones and components; electronic equipment and test sets; analog and digital transmission equipment; multiplex, voice frequency and radio equipment; capacitors; protectors; custom large-scale-integrated circuits; distributed data processing terminals and systems, disks and disk storage devices, video displays, printers, magnetic tape drives, software development, printed circuit boards, on-line terminal systems, remote batch and multifunction terminal systems; private switching networks; test equipment, data communications diagnostic systems, analog and digital private branch exchanges.

Divisions and Subsidiaries:

Bell-Northern Research Ltd. (70% owned)
3500 Carling Avenue
Ottawa, Ontario K2H 8E9, Canada
(613) 763-2211

BNR Inc.
685A East Middlefield Road
Mountain View, California 94043
(415) 969-9170

BNR LIMITED
BNR Park
Concorde Road
Norreys Drive
Maidenhead, Berkshire SL6 4AG, England
(44)(628)77077

Netas-Northern Electric Telekomunikasyon A.S. (31% owned)
Alemdag Caddesi
Umraniye 81244 Istanbul, Turkey

Northern Telecom World Trade Corporation
304 The East Mall
Islington, Ontario M9B 6E4, Canada
(416) 232-2000

Northern Telecom AG
Drahtzugstrasse 18
8008 Zurich, Switzerland

NorTel Australia Pty. Limited
Level 2, 17 Orion Road
Lane Cove, New South
Wales, Australia
(61) 24288777

Northern Telecom (Asia) Limited
16th floor, Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong
(852)5831-2888

NorTel Pacific Pty. limited
Level 1, 17 Orion Road
Lane Cove. New South
Wales, Australia

Northern Telecom (CALA) Corporation
14645 N. W. 77th Avenue
Miami Lakes, Florida 33014
(305) 526-8400

Northern Telecom Canada Limited
2920 Matheson Boulevard East
Mississauga, Ontario L4W 4M7, Canada
(416) 238-7000

Northern Telecom Finance Corporation
Northern Telecom Plaza
220 Athens Way
Nashville, Tennessee 37228-1399
(615) 734-5200

Northern Telecom Inc.
Northern Telecom Plaza
220 Athens Way
Nashville, Tennessee 37228-1803
(615) 734-4000

Northern Telecom Industries Sdn. Bhd.
Bayan Lepas
Free Trade Zone, Phase I
Penang, West Malaysia

NT Meridian S.A. (69 5% owned)
16 Place De l'Iris
Cedex 13
92082 Paris La Defense, France
33-1-4907-2424

Northern Telecom (Ireland) Limited
Mervue Industrial Estate
Galway, Republic of Ireland

Northern Telecom International Finance B.V.
Daalmeerstratt 4
2131 HC, Hoofddorp
Hoofddorp, The Netherlands

Northern Telecom Europe Limited
London W1X 5LB, England

Tong Guang-Nortel Limited Liability Company (55% owned)
300 Crystal Garden Centre
8 Tai Zi Road
Shekou, Shenzhen, People's Republic of China

Northern Telecom GmbH
Lyoner Strasse 30
6000 Frankfurt am Main 71, West Germany

Northern Telecom Italia S.p.A.
Viale Pasteur, 65
00144 Rome, Italy

Northern Telecom Japan Inc.
Oak Minami Azabu Building
19-23 Minami Azabu
3-chome, Minato-ku, Tokyo 106, Japan

Northern Telecom N.V.
Excelsiorlaan 13
1930 Zaventem
Brussels, Belgium
(32) 2725-3510

Transfer Agent(s):

Corporate Offices
800 Square Victoria, Suite 250
Montreal, Quebec H4Z 1A2 Canada

Corporate Offices
483 Bay Street
Floor 2, South Tower
Toronto, Ontario M5G 2E1 Canada

Montreal Trust Company
Montreal, Halifax, Winnipeg, Toronto, Regina, Calgary & Vancouver, Canada

Manufacturers Hanover Trust Company
New York, New York

Continental Bank, National Association
Chicago, Illinois

The Royal Trust Company
London, England

Stock Exchange(s): Montreal, New York, Toronto, Vancouver, London (U.K.), Tokyo

Ticker Symbol: NT (New York); NTL (Montreal, Toronto, Vancouver).

Number of Employees:

1989	47,572	1986	46,202
1988	50,136	1985	46,549
1987	48,778		

Plant Footage:

1989	N.A.	1986	8,619,000
1988	8,628,000 sq. ft.	1985	8,423,000
1987	8,743,000		

N.A.-Not Available

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1989	$ 6,105,500	$ 376,500
1988	5,407,500	183,200
1987	4,914,500	347,200
1986	4,439,500	313,200
1985	4,308,600	299,200

	No. of Com. Shares +	Earn. per Share +
1989	240,910,000	$ 1.47
1988	237,565,000	0.70
1987	235,823,000	1.39
1986	233,948,000	1.23
1985	232,023,000	1.18

+ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Central office switching	$ 3,258,200	$ 2,911,000
Business communications systems & terminals	1,490,500	1,312,200
Transmission	631,800	571,300
Cable & outside plant	529,000	451,400
Other	196,000	161,600
Total	$ 6,105,500	$ 5,407,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.28	—	—
1988	0.26	—	
1987	0.23	—	2-for-1
1986	0.20	—	—
1985	0.18	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity † (000's)	Equity Per Share ‡
1989	$ 2,695,500	$ 11.19
1988	2,430,800	10.23
1987	2,333,300	9.89
1986	1,894,900	8.10
1985	1,614,600	6.96

† After allowing for preferred stock at redemption value in U.S. $.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 6,105,500	$ 5,407,500
Cost of revenues	3,718,600	3,218,400
Expenses	1,861,300	1,798,800
Restruc. costs	—	200,000
Other income	(15,000)	(35,800)
Interest expense	96,900	67,400
Unrealized currency gains	(6,600)	(25,500)
Eq. in earn. of subsid.	(64,800)	(50,700)
Income before taxes	$ 515,100	$ 234,900
Income taxes	138,600	51,700
Net Income	$ 376,500	$ 183,200

* Included in Costs and Expenses, Depreciation and Amortization: $322,500,000 in 1989 and $298,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 169,500	$ 79,200
Accts. receiv., net	1,946,000	1,620,900
*Inventories	856,200	820,300
Prepaid expenses	39,200	38,800
Deferred inc. taxes	113,700	82,700
Current Assets	$ 3,124,600	$ 2,641,900
Long-term receiv.	782,900	713,700
Investments	966,800	1,034,000
#Fixed assets	1,485,000	1,480,600
Other assets	15,700	8,000
Total Assets	$ 6,375,000	$ 5,878,200

Liabilities
(000's)

Short-term borrowings	$ 65,500	$ 77,700
Notes payable	484,100	544,700
Long-term debt, curr.	178,000	157,800
Accts. payable & accruals	1,357,800	1,362,000
Income taxes	79,100	12,300
Current Liabilities	$ 2 164,500	$ 2,154,500
Long-term debt	816,100	577,500
Minority interest	37,600	34,300
Deferred income	9,900	15,200
Adv. from cust.	71,000	72,300
Deferred inc. taxes	334,200	352,600
Redeem. pref. stock	172,900	167,700
+Preferred stock - Class A Series 4	73,300	73,300
+Common stock	921,300	858,900
Retained earnings	1,876,200	1,604,300
For. exch. adjust.	(102,000)	(32,400)
Total Liabilities & Shareholders' Equity	$ 6,375,000	$ 5,878,200

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.44	4.34
%Net Income to Revenues	6.17	3.39
%Net Income to Equity	13.60	7.32
Debt to Equity	0.56	0.54
Working Capital	$ 960,100,000	$ 487,400,000
Current Ratio	1.44	1.23
Shareholders' Equity	$ 2,768,800,000	$ 2,504,100,000

Northrop Corporation

1840 Century Park East
Century City
Los Angeles, California 90067-2199
(213) 553-6262
FAX: (213) 553-2076

Officers: Thomas V. Jones, chairman of the board; Kent Kresa, president & chief operating officer; John B. Campbell, sr v.p.-finance; Oliver C. Boileau, v.p., pres. & gen. mgr.-B-2 Division; Les Daly, sr. v.p.-public affairs; David N. Ferguson, sr. v.p.-electronics; Arthur F. Dauer, sr. v.p.-human resources; Sheila M. Gibbons, v.p. & secretary; Robert G. Schlenzig, v.p. & gen. mgr.-Electronics Systems Division; John R. Rettberg, v.p. & treasurer; Fred J. Manzella, exec. v.p.-operations; Wallace C. Solberg, v.p. & gen. mgr.-Defense Systems Division; Joseph Yamron, v.p. & gen. mgr.-Precision Products Division; Edward P. Smith, v.p. & prog. mgr.-B-2 Program; Stephen R. Smith, v.p. & gen. mgr.-Aircraft Division; Richard S. Taylor, v.p. & controller.

Directors: Thomas V. Jones, chairman; William F. Ballhaus*, Richard J. Flamson, III, Ivan A. Getting*, Tom Killefer*, O. Meredith Wilson*, Richard E. Horner, Charles W. Robinson, George T. Scharffenberger, Fred J. Manzella, Robert L. J. Long*, Howard P. Allen, Richard J. Stegemeier, Kent Kresa.

* Member of the Executive Committee

Divisions:

Aircraft Division
One Northrop Avenue
Hawthorne, California 90250
Aircraft research, development and manufacturing.

B-2 Division
8900 E. Washington Boulevard
Pico Rivera, California 90660-3737
Advanced systems research and development.

Defense Systems Division
600 Hicks Road
Rolling Meadows, Illinois 60008
Military electronic warfare systems.

Precision Products Division
100 Morse Street
Norwood, Massachusetts 02062
Gyroscopes, accelerometers, and inertial guidance and control systems.

Electronics Systems Division
2301 West 120th Street
Hawthorne, California 90251
Electronics research, development, and manufacturing.

Ventura Northrop
1515 Rancho Conejo Boulevard
Newbury Park, California 91320
Unmanned aircraft and aircraft sub-assemblies.

Northrop Research and Technology Center
One Research Park
Palos Verdes Peninsula, California 90274
Advanced technology research programs.

Subsidiary:

Northrop Worldwide Aircraft Services, Inc.
21 Northwest 44th Street
Lawton, Oklahoma 73505
Aircraft maintenance and base support services.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: NOC

Number of Employees:

1989	41,000	1986	46,800
1988	44,600	1985	46,900
1987	48,200		

Plant Footage:*

1989	20,100,000 sq. ft.	1986	18,600,000
1988	20,400,000	1985	17,100,000
1987	20,300,000		

* Includes U.S. Government-owned facilities used by Northrop Corporation.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 5,248,400	$ (80,500)
1988	5,797,100	104,200
1987	6,052,500	94,200
1986	5,608,400	41,200
1985	5,056,600	214,400

	No. of Com. Shares #	Earn. per Share #
1989	47,000,000	$ —
1988	47,000,000	2.22
1987	46,800,000	2.01
1986	46,500,000	0.89
1985	46,300,000	4.63

(Loss)
Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Aircraft	$ 4,007,800	$ 4,170,200
Electronics	896,600	1,086,500
Missiles & unmanned vehicle systems	305,500	481,500
Services	157,800	175,300
Eliminations	(123,800)	(117,800)
Total	$ 5,243,900	$ 5,795,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1969	$ 1.20	—	—
1988	1.20	—	
1987	1.20	—	—
1986	1.20	—	—
1985	1.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 875,100,000	$ 18.62
1988	1,003,600,000	21.35
1987	947,500,000	20.25
1986	898,700,000	19.33
1985	899,000,000	19.42

+ Based on the average number of common shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 5,248,400	$ 5,797,100
Cost of sales	4,691,900	5,257,600
Expenses	533,200	514,300
Interest income	(2,000)	(2,200)
Other expense (income)	13,100	(17,200)
Interest expense	123,700	98,500
Loss bef. taxes	$ (111,500)	$ (53,900)
Tax crdit	(31,000)	(23,000)
Cum. effect of acct. change	—	(135,100)
Net Income (Loss)	$ (80,500)	$ 104,200

* Included in Costs and Expenses, Depreciation and Amortization: $220,600,000 in 1989 and $240,800,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 4,700	$ 3,600
Accts. receiv., net	1,019,600	954,500
*Inventoried costs	682,800	619,300
Prepaid expenses	40,300	37,200
Current Assets	$ 1,747,400	$ 1,614,600
#Fixed assets	1,439,500	1,496,100
Other assets	9,300	28,500
Total Assets	$ 3,196,200	$ 3,139,200

Liabilities
(000's)

Notes payable	$ 570,000	$ 446,000
Accts. payable	510,700	461,100
Accrued compensation	140,900	149,600
Income taxes pay.	6,300	5,500
Deferred inc. taxes	247,700	300,200
Other curr. liab.	179,700	132,000
Curr. Liabilities	$ 1,655,300	$ 1,494,400
Long-term obligations	583,700	577,600
Deferred inc. taxes	82,100	63,600
+Common stock	196,300	194,700
Retained earnings	688,700	825,600
Unvested employee restricted shares	(9,900)	(16,700)
Total Liabilities & Shareholders' Equity	$ 3,196,200	$ 3,139,200

* Primarily relate to work in process under fixed-price-type contracts (excluding those included in unbilled accounts receivable). They represent accumulated contract costs less the portion of such costs allocated to delivered items.
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

%Net Income to Sales	—	1.80
%Net Income to Equity	—	10.38
Debt to Equity	1.32	1.02
Working Capital	$ 92,100,000	$ 120,200,000
Current Ratio	1.06	1.08
Shareholders' Equity	$ 875,100,000	$ 1,003,600,000

Oak Industries Inc.

16510 Via Esprillo
Rancho Bernardo, California 92127
(619) 485-9300
FAX: (619) 485-9309

Officers: William S. Antle, III, president & chief executive officer; Rt. Hon. Lord Stevens of Ludgate, chairman; Roderick M. Hills, vice chairman of the board; S. James Miller, Jr., sr. v.p. administration, general counsel & corp. secretary; William C. Weaver, sr. v.p. & chief financial officer; Terry L. Plummer, sr. attorney & assistant corporate secretary; Deanna L. Palmer, controller; William E. Schafer, assistant treasurer.

Directors: Rt. Hon. Lord Stevens of Ludgate, chairman; William S. Antle, III, Daniel W. Derbes, Roderick M. Hills, George W. Leisz, Gilbert E. Matthews, William D. Eberle, Christopher H.B. Mills, Elliot L. Richardson.

Areas of Work: Manufactures and markets controls and components for gas and electric appliances, low power rotary and other switches, and quartz oscillators and filters used in consumer, industrial and military products; produces communications equipment for use in cable television systems and satellite television systems.

Divisions and Subsidiaries:

Oak Switch Systems, Inc.
Crystal Lake, Illinois 60014
Lower power rotary, pushbutton, keyboard, membrane and lever switches.

McCoy Electronics Company
Mt. Holly Springs & Mercersberg, Pennsylvania 17065
High-frequency and low-frequency crystals, crystal filters and oscillators for communications equipment.

O/E/N India Limited (45% owned)
Cochin, Kerala, India
Assembles and markets switches and relays.

Harper-Wyman Company
Lisle, Illinois
Princeton, Illinois
Juarez, Mexico
Gas controls and components; electric range controls, gas grills.

Diamond H. Controls Ltd.
Volcan Road North
Norwich, NOR 85N
Norfolk, England
Thermostats; energy regulators; thermal switches; relays, time delay units and solenoids, rotary and toggle switches; snap-in devices, rotary, lever, moduline switches; indicator lights, electronic temperature and process controls.

Oak Communications Inc.
Rancho Bernardo, California
Manufactures converters, decoders, and other equipment used to receive cable television programs and encoding and decoding devices for satellite transmissions.

Oak Industries Taiwan Ltd.
Taipei, Taiwan, Republic of China
Manufactures pay-television decoders and cable television converters.

Croven Crystals Limited
Whitby, Ontario, Canada
Manufactures high-frequency quartz crystals.

Houston Electronics Corp.
Kane, Pennsylvania
Manufactures glass-to-metal seals and associated components.

Ovenaire-Audio-Carpenter
Charlottesville, Virginia
Manufactures oven-stabilized and temperature-compensated oscillators; crystal and component ovens; emergency and exit lights, and electronic megaphones.

Nordco, Inc.
Milwaukee, Wisconsin
Supplies the railroad transportation industry with equipment to maintain and repair railroad tracks and roadbeds.

Transfer Agent(s):

Bank of America
Los Angeles, California

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: OAK

Number of Employees:

1989	2,968	1986	4,017
1988	3,778	1985	5,286
1987	3,843		

Plant Footage:

1989	1,178,100 sq. ft.	1986	1,194,349
1988	1,164,484	1985	1,210,327
1987	1,382,147		

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 145,937,000	$ (25,481,000)
1988	148,459,000	12,864,000
1987	134,504,000	8,226,000
1986	116,119,000	60,243,000
1985	117,018,000	(37,576,000)

	No. of Com. Shares #	Earn. per Share †#
1989	82,036,086	$ —
1988	75,500,155	0.17
1987	74,233,958	0.11
1986	59,420,211	1.01
1985	24,442,085	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $8,964,000 ($0.15 per share) in 1986 and extraordinary loss of $466,000 ($0.01 per share) in 1987.
# Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Components	$ 145,937,000	$ 148,459,000
Other	14,227,000	14,722,000
Total	$ 160,164,000	$ 163,181,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 66,751,000	$ 0.81
1988	88,189,000	1.17
1987	75,101,000	1.01
1986	59,082,000	0.99

‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 160,164	$ 163,181
Cost of sales	128,773	124,499
Expenses	35,082	34,002
Interest expense	4,564	5,849
Interest income	(3,262)	(2,180)
Goodwill write-offs	13,578	—
Other income	(58)	(8,629)
Inc. (loss) bef. taxes	$ (18,513)	$ 9,640
Income taxes (credit)	581	(2,756)
Inc. (loss) - cont. oper.	$ (19,094)	$ 12,396
Inc. (loss) - discont. oper.	(6,387)	468
Net Income (Loss)	$ (25,481)	$ 12,864

* Included in Costs and Expenses, Depreciation and Amortization: $6,158,000 in 1989 and $6,378,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 21,818	$ 27,141
Receiv., net	20,179	23,476
*Inventories	39,156	40,058
Other curr. assets	822	4,078
Current Assets	$ 81,975	$ 94,753
#Fixed assets	27,283	31,464
Goodwill	5,443	19,485
Other assets	8,175	6,309
Net assets-discont. oper.	7,746	17,613
Total Assets	$ 130,622	$ 169,624

Liabilities

	1989	1988
Long-term debt, curr.	$ 1,258	$ 1,173
Accts. payable	9,596	10,070
Accruals	21,848	21,937
Curr. Liabilities	$ 32,702	$ 33,180
Long-term debt	17,461	35,179
Deferred compensation & accrued pensions	13,059	10,147
Other liabilities	649	2,929
+Common stock	82,585	75,564
Add. paid-in capital	194,167	196,052
Retained earnings (deficit)	(208,187)	(182,706)
Cum. trans. adjust.	(1,288)	(384)
Other	(526)	(337)
Total Liabilities & Shareholders' Equity	$ 130,622	$ 169,624

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	—	14.59
Sales to Inventories	4.09	4.07
Debt to Equity	0.28	0.41
Working Capital	$ 49,273,000	$ 61,573,000
Current Ratio	2.51	2.86
Shareholders' Equity	$ 66,751,000	$ 88,189,000

OEA, Inc.

34501 East Quincy Avenue
P.O. Box 10488
Denver, Colorado 80210
(303) 693-1248
FAX: (303) 699-6991

Officers: Ahmed D. Kafadar, chairman & chief executive officer; Charles B. Kafadar, president & chief operating officer; John E. Banko, sr. v.p. & treasurer; William M. Shelton, v.p. & controller; Nuri Y. Olcer, v.p.-engineering mechanics.

Directors: Ahmed D. Kafadar, chairman; John E. Banko, Ralph A. L. Bogan, Jr., J. Robert Burnett, G. Ben Huber, Philip E. Johnson, Charles B. Kafadar, James G. Maynard, Lewis W. Watson, Wallace E. Carroll.

Areas of Work: Designs, develops, tests, and manufactures propellant and explosive-actuated devices for aircraft personnel escape systems and space and missile applications. Other products and services include commercial Jet Cord, a linear-shaped charge used by demolition contractors, commercial aircraft egress systems, a neutron radiography inspection operation, inflatable systems, and glass-to-metal sealing.

Subsidiaries:

Explosive Technology, Inc.
P.O. Box KK
Fairfield, California 94533
(707) 422-1880

Aerotest Operations, Inc.
3455 Fostoria Way
San Ramon, California 94583
(415) 866-1212

OEA Aerospace Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Automotive Initiator Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Pyronetics Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Inflatable Systems Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Glass Seal Division
34501 East Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

Pyrospace (45% interest)
139 route de Verneuil
78130 Les Mureaux Cedex, France

Transfer Agent(s):

Bank of America National Trust and Savings Association
Denver, Colorado

Stock Exchange(s): American

Ticker Symbol: OEA

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 62,023,901	$ 7,521,106
1988	47,321,177	6,610,598
1987	41,865,923	5,362,461
1986	41,023,205	5,340,858
1985	34,311,494	4,711,124

	No. of Com. Share ‡	Earn. per Share ‡
1989	3,345,050	$ 2.25
1988	3,361,613	1.97
1987	3,340,889	1.61
1986	3,327,062	1.61
1985	3,327,062	1.42

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Government contracting	$ 46,467,177	$ 39,099,213
Commercial	15,556,754	8,221,964
Total	$ 62,023,901	$ 47,321,177

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 60,508,300	$ 18.08
1988	52,937,506	15.83
1987	47,085,352	13.92
1986	41,062,882	12.34
1985	35,722,024	10.74

Income Account *

Year ended July 31	1989	1988
Net sales	$ 62,023,901	$ 47,321,177
Cost of sales	45,913,789	33,314,077
Expenses	4,428,017	4,209,642
Interest expense	304,275	66,477
Interest income	(10,988)	(273,111)
Eq. in earn. of joint vent.	(5,552)	(5,951)
Other expense (income)	(133,768)	83,716
Income before taxes	$ 11,528,128	$ 9,926,327
Income taxes	4,273,022	3,619,834
Cum. effect of acct. change	(266,000)	(304,105)
Net Income	$ 7,521,106	$ 6,610,598

* Included in Costs and Expenses, Depeciation and Amortization: $1,956,190 in 1989 and $1,548,571 in 1988.

Assets

As of July 31	1989	1988
Cash	$ 265,021	$ 321,954
Marketable securities	18,828	661,575
Accts. receiv., net.	19,218,119	17,972,507
Unbilled costs on contracts in progress	5,432,737	7,358,543
*Inventories	27,210,353	21,993,091
Prepaid expenses	1,115,319	162,503
Current Assets	$ 53,260,377	$ 48,470,173
#Fixed assets	16,474,621	11,891,704
Deferred contract costs	893,307	1,232,678
Cash value of life insur.	493,855	445,424
Invest. in for. joint vent.	2,273,440	1,739,512
Other assets	478,452	507,513
Total Assets	$ 73,874,052	$ 64,287,004

Liabilities

	1989	1988
Notes payable	$ 701,180	$ —
Accts. payable	3,405,605	3,537,108
Accrued payroll	1,801,291	2,013,195
Accrued profit-sharing	902,343	880,209
Other accruals	368,135	348,137
Bank borrowings	3,050,000	500,000
Income taxes	981,460	2,406,920
Curr. Liabilities	$ 11,210,014	$ 9,685,569

Notes payable to insur. cos.	348,446	261,729
Cap. lease oblig.	131,969	173,248
Deferred comp.	339,317	319,189
Deferred inc. taxes	1,336,006	909,763
+Common stock	366,995	366,995
Add. paid-in capital	12,191,137	12,154,024
Retained earnings	49,575,417	42,054,311
Treasury stock	(1,625,249)	(1,637,824)
Total Liabilities & Shareholders' Equity	$ 73,874,052	$ 64,287,004

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.59	20.98
%Net Income to Sales	12.13	13.97
%Net Income to Equity	12.43	12.49
Sales to Inventories	2.28	2.15
Debt to Equity	0.02	0.01
Working Capital	$ 42,050,363	$ 38,784,604
Current Ratio	4.75	5.00
Shareholders' Equity	$ 60,508,300	$ 52,937,506

The Ohmart Corporation

4241 Allendorf Drive
P.O. Box 9026
Cincinnati, Ohio 45209
(513) 272-0131
FAX: (513) 272-0133

Officers: Carl K. Gieringer, chairman of the board & president; Thomas E. Dewey, president; Dan Jahns, v.p.; Paul Sieck, v.p.-manufacturing; James Cartwright, v.p.-sales; John Craven, chief financial officer.

Directors: Nicholas Bauer, Carl F. Evert, Carl K. Gieringer, C. Ross Whiting, Lewis M. Crowe, Estelle Gieringer, Edward C. Pandorf, Thomas E. Dewey.

Areas of Work: Produces beta thickness gauges, conveyor scales, nuclear and electronic measuring devices used in process control.

Divisions and Subsidiaries:

WeighART Division

WebART Division

Instruments Division

Transfer Agent(s):

The Fifth Third Bank
Fifth Third Center
Cincinnati, Ohio 45263

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Net Sales	Net Income
1989	$ 10,458,557	$ 431,049
1988	10,197,879	661,303
1987	7,551,880	15,695
1986	8,592,940	242,416
1985	8,472,523	209,525

	No. of Com. Shares	Earn. per Share
1989	123,238	$ 3.50
1988	123,238	5.37
1987	123,238	0.13
1986	123,238	1.97
1985	123,238	1.70

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.75	—	—
1988	0.75	—	
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 5,787,375	$ 46.96
1988	5,448,755	44.21
1987	4,879,881	39.60
1986	4,925,805	39.97
1985	4,745,008	38.50

Income Account*

Year ended Nov. 30	1989	1988
Net sales	$ 10,458,557	$ 10,197,879
Other income	312,019	268,468
Total income	10,770,576	$ 10,466,347
Cost of sales	4,925,700	4,707,370
Expenses	5,197,598	4,736,260
Interest expense	4,229	12,414
Income before taxes	$ 643,049	$ 1,010,303
Income taxes	212,000	349,000
Net Income	$ 431,049	$ 661,303

* Included in Costs and Expenses, Depreciation and Amortization: $199,765 in 1989 and $171,482 in 1988.

Assets

As of Nov. 30	1989	1988
Cash & cash equiv.	$ 910,385	$ 1,339,159
Marketable secur.	1,100,619	1,050,721
Accts. receiv., net	2,374,904	2,268,424
*Inventories	1,524,722	1,223,120
Prepaid expenses	14,158	11,195
Prepaid income taxes	20,004	—
Deferred inc. taxes	149,000	150,000
Current Assets	$ 6,093,792	$ 6,042,619
#Fixed assets	1,273,134	1,247,764
Other assets	7,444	8,981
Total Assets	$ 7,374,370	$ 7,299,364

Liabilities

Long-term debt, curr.	$ 35,000	$ 65,000
Accts. payable	267,366	238,496
Accruals	863,883	818,953
Advance payments	99,446	19,871
Deferred revenue	99,300	167,793
Income taxes	—	322,496
Curr. Liabilities	$ 1,364,995	$ 1,632,609
Long-term debt	—	35,000
Deferred taxes	222,000	183,000
+ Common stock	146,568	146,568
Add. paid in capital	283,574	283,574
Retained earnings	5,357,233	5,018,613
Total Liabilities & Shareholders' Equity	$ 7,374,370	$ 7,299,364

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	6.15	9.91
% Net Income to Sales	4.12	6.48
% Net Income to Equity	7.45	12.14
Sales to Inventories	6.86	8.34
Debt to Equity	0.01	0.02
Working Capital	$ 4,728,797	$ 4,410,010
Current Ratio	4.46	3.70
Shareholders' Equity	$ 5,787,375	$ 5,448,755

Oki Electric Industry Company, Limited

7-12 Toranomon 1-chome
Minato-ku, Tokyo 105, Japan
(03) 501-3111
FAX: (03) 508-9465

Officers: Namio Hashimoto, chairman of the board; Nobumitsu Kosugi, president & chief executive officer; Yoshio Masuda, exec. v.p.; Chikatomo Mitsuyasu, exec. v.p.; Jun Jinguji, senior managing director; Masao Nogami, senior managing director; Akinori Watanabe, managing director; Shiko Sawamura, managing director; Mitsuhiro Kondo, managing director; Tadao Higashi, managing director; Minoru Imai, managing director; Susumu Ichinose, managing director; Hiroaki Atagi, director; Chihiro Suzuki, director; Hiromu Tanimoto, director; Masataka Yamamoto, director; Tsuneo Kigoshi, director; Sumio Ishii, director; Yasunori Nishizawa, director; Masahiro Harimoto, director; Haruo Negishi, director; Ikuo Anada, director; Keisuke Frukawa, director; Yoichi Tanaka, director.

Areas of Work: In the area of Telecommunications Systems, the Company produces switching systems, including central office exchanges, PBX systems, Telex and data exchanges; transmission systems, including VHF/UHF/SHF/EHF radio equipment, multiplex carrier equipment, modems, TV converters, fiber-optic communications systems, radio and TV broadcasting equipment, facsimile transceivers, satellite communications equipment, copyboards, videotex systems, local area networks, teleconferencing systems, IC-card systems, and telephone-equipped personal computers; and telephone sets, including cellular mobile telephones, push-button telephones, key telephone systems, and telewriting terminals.

Areas of Work: In the area of Information Processing Systems, the Company produces information processing equipment, including personal computers, banking systems, medical electronics systems, point-of-sale systems, computer peripherals, minicomputers, teleprinters and text communications terminals; and telemetry and telecontrol systems, including water resource control systems, intelligent building systems, seismometric and disaster-prevention systems, underwater acoustic sensors, and radar systems.

In the area of Electronic Devices, the Company produces VLSI memories, microprocessors, communications LSIs, printed circuit boards, plasma display panel units, optoelectronic devices, gate-array devices, application-specific ICs, and reed relays and switches.

Electronic Subsidiaries and Affiliates (Japan)

Telecommunications and Electronic Equipment:

Tohoku Oki Electric Co., Ltd.
Data communications equipment.

Nagano Oki Electric Co., Ltd.
Computers, remote terminals, assembly of printed circuit boards.

Taiko Electic Works, Ltd.
PBX and key telephone systems.

Nikko Denki Seisakusho Co., Ltd.
Switchboards, terminal blocks, distribution boxes, exchange parts.

Kuwano Electrical Instruments Co., Ltd.
Measuring instruments.

Toho Electronics Co., Ltd.
Transmission equipment and parts.

Shizuoka Oki Electric Co., Ltd.
Telecommunications equipment, control equipment, measuring equipment, acoustic equipment.

Telecommunications and Electronic Components:

Oki Ceramic Industry Co., Ltd.
Tantalum electrolytic capacitors, hybrid integrated circuits, ceramic parts.

Kinseki, Ltd.
Quartz crystals, crystal filters, crystal oscillators, ultrasonic glass delay lines, synthetic quartz.

Yamako Electric Manufacture Co., Ltd.
Fuse panels and steel structures for exchanges.

Mikuni Industry Co., Ltd.
Plastic moldings.

Waratoku Steel Co., Ltd.
Magnetic core and special steel products.

Oki Electric Cable Co., Ltd.
Cables, wires, connectors, printed circuit boards.

Miyazaki Oki Electric Co., Ltd.
LSIs, VLSIs.

Miyagi Oki Electric Co., Ltd.
LSIs, VLSIs.

Niigata Oki Electric Co., Ltd.
Printed circuit boards.

OF Engineering Co., Ltd.
Sensors.

Electronic Computers:

Oki Unisys Kaisha, Ltd.
Electronic computer systems.

Subsidiaries and Affiliates (outside Japan):

Oki America, Inc.
Three University Plaza
Hackensack, New Jersey 07601 U.S.A.
(201) 646-0011

New York Office
19th Floor, 575 Fifth Avenue
New York, New York 10017 U.S.A.
(212) 972-8410
FAX: (212) 972-8411

Okidata Group
(Division of Oki America, Inc.)
532 Fellowship Road
Mt. Laurel, New Jersey 08054 U.S.A.
(609) 235-2600

Oki Telecom Group
(Division of Oki America, Inc.)
437 Old Peachtree Road
Suwanee, Georgia 30174 U.S.A.
(404) 995-9800

Oki Semiconductor Group
(Division of Oki America, Inc.)
785 North Mary Avenue
Sunnyvale, California 94086 U.S.A.
(408) 720-1900

Oki Electric Europe GmbH
Hellersbergstrabe 2
4040, Neuss, West Germany
02101-15960

Okidata GmbH
Hansa Allee 187
4000 Dusseldorf 11, West Germany
(0211)597-94-0

Far Eastern Electric Industry Co., Ltd.
10th Floor, International Building
6 Tung Hwa North Road
Taipei, Taiwan
(02) 751-2345

Digiphonic Systems Pte. Ltd.
70 Bendemeer Road, #06-01
Hiap Huat House, Singapore 1233
297-1511

Oki Electronics (Hong Kong) Ltd.
Suite 1801-4, Tower 1, China Hong Kong City
33 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong
3-7362336

Singapore Branch
09-01 78 Shenton Way
Singapore 0207
221-3722

Taipei Branch
4th Floor, Artist Construction
Building No. 687, Minshen East Road
Taipei, Taiwan
(02) 716-2216

Oki (UK) Ltd.
3 Castlecary Road
Wardpark North
Cumbernauld, Scotland G68 0BN, U.K.
(0236) 72-7777

Oki Europe Ltd.
Bond House
347/353 Chiswick High Road
London W4 4HS. U.K., England
(01) 743-2531

Stock Exchange(s): Tokyo

Number of Employees:

1989	18,440	1986	18,649
1988	18,659	1985	18,134
1987	19,375		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	¥ 555,521,000	¥ 15,319,000
1988	451,354,000	3,494,000
1987	407,415,000	2,212,000
1986	392,608,000	(967,000)
1985	417,519,000	9,160,000

	No. of Com. Shares	Earn. per Share ‡
1989	572,105,387	¥ 28.05
1988	519,475,732	6.82
1987	500,902,614	4.46
1986	480,347,869	—
1985	N.A.	20.22

(Loss)
¥ - Yen
N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
NOTE: Due to rounding, income statement and balance sheet may not add up correctly.

Revenues By Line of Business
(000's)

	1989	1988
Telecommunications syst.	¥ 149,629,000	¥ 135,061,000
Information processing syst.	242,274,000	202,451,000
Electronic devices	139,944,000	94,700,000
Other	23,673,000	19,141,000
Total	¥ 555,521,000	¥ 451,354,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 6.00	—	—
1988	6.00	—	
1987	3.00	—	—
1986	6.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	¥ 148,093,000	¥ 258.86
1988	118,795,000	228.68
1987	103,177,000	205.98
1986	88,165,000	183.54
1985	75,381,000	—

Income Account *
(millions)

Year ended March 31	1989	1988
Net sales	¥ 555,521	¥ 451,354
Cost of sales	400,763	331,583
Expenses	118,701	98,065
Interest expense	11,051	11,090
Interest income	(4,482)	(3,109)
For. exch. loss (gain)	(165)	5,031
Gain from sale of secur.	(228)	(4,786)
Bond issue expense	1,910	—
Other expense	2,793	3,000
Income before taxes	¥ 25,178	¥ 10,479
Income taxes	10,627	7,577
Minority interests	190	13
Eq. in earn. of affil.	(958)	(606)
Net Income	¥ 15,319	¥ 3,494

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 39,862,000,000 in 1989 and ¥ 30,366,000,000 in 1988.

Assets
(millions)

As of March 31	1989	1988
Cash & time deposits	¥ 84,621	¥ 87,524
Marketable securities	42,105	27,636
Accts. receiv., net	139,848	118,916
*Inventories	114,033	109,334
Other curr. assets	4,662	4,981
Current Assets	¥ 385,271	¥ 348,393
Investments	33,796	31,375
#Fixed assets	138,432	105,175
Other assets	22,766	22,450
Translation adjust.	2,835	5,433
Total Assets	¥ 583,101	¥ 512,827

Liabilities
(millions)

	1989	1988
Short-term bank loan	¥ 120,071	¥ 160,664
Long-term debt, curr.	19,449	14,444
Accts. payable	106,933	83,833
Income taxes	6,838	6,073
Accruals	31,638	24,708
Other current liabilities	5,673	5,391
Curr. Liabilities	¥ 290,604	¥ 295,116
Long-term debt	125,965	87,992
Liab. of severance indemnities	11,537	10,743
Minority interest	6,900	178
+ Common stock	52,070	43,526
Add. paid-in capital	55,393	46,861
Legal reserve	4,211	3,861
Special reserves	7,467	6,886
Retained earnings	29,299	17,675
Treasury stock	(349)	(14)
Total Liabilities & Shareholders' Equity	¥ 583,101	¥ 512,827

* At specific identification cost.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. taxes to Sales	4.53	2.32
% Net Income to Sales	2.76	0.77
% Net Income to Equity	10.34	2.94
Sales to Inventories	4.87	4.13
Debt to Equity	1.79	2.21
Working Capital (000's)	¥ 94,667,000	¥ 53,277,000
Current Ratio	1.33	1.18
Shareholders' Equity (000's)	¥ 148,093,000	¥ 118,795,000

Olivetti

(Ing. C. Olivetti & C., S.p.A.)

Via G. Jervis, 77
Ivrea 10015 Italy

Directors: Bruno Visentini, honorary chairman; Carlo De Benedetti, chairman & chief executive officer; Vittorio Cassoni, managinfg director; Franco De Benedetti, vice chairman; Elserino Piol, vice chairman; Robert E. Allen, Luigi Arcuti, Paolo Baratta, Giuseppe Bisconti, Camillo De Benedetti, Francois De Laage De Meux, Ettore Ferrero, Robert M. Kavner, Maria Luisa Lizier Galardi, Luigi Lucchini, Horst Munzner, Alberto Predieri, Enrico Recchi, John Segall, Randall L. Tobias, Guido Roberto Vitale, Jacopo Vittorelli, Sam R. Willcoxon.

Areas of Work: The Company manufactures electronic typewriters, videotaping systems, copiers, calculators and cash registers, personal computers, minicomputers, display, point-of-sale and banking automation terminals, computer peripherals including printers and hard-disk drives; telecommunications equipment, including teleprinters and telex automation modules and facsimile terminals; information technology modules, printed circuit boards; industrial, elastomeric and rubber and silicone components; liquid crystal displays, printed circuit and assembled electronic board test equipment; ticker reservation, betting and bank current account management systems; control units for numerical control equipment; security systems, timeclock and access control systems, motorway and carpark systems, office furniture and fittings, thermoplastic and thermosetting resin moulding, and provides computer software and services.

Subsidiaries (Italy):

DISTRIBUTED DATA PROCESSING AND OFFICE AUTOMATION:

Olivetti Peripheral Equipment, S.p.A.
Ivrea, Italy

Olteco-Olivetti Telecommunicazioni, S.p.A.
Ivrea, Italy

Olivetti-Canon Industriale, S.p.A
Aglle, Italy

Triumph Adler Distribuzione Italia, S.p.A.
Milan, Italy

Conner Peripherals Europe, S.p.A
Ivrea, Italy

Ciesse Control System, S.p.A.
Padova, Italy

Prodest International, S.p.A.
Pozzuoli, Italy

OFFICE PRODUCTS:

Balteadisk, S.p.A.
Arnad, Italy

Diaspronsud, S.p.A.
Pozzuoli, Italy

Olivetti Synthesis, S.p.A.
Massa, Italy

Baltea, S.p.A.
Leini, Italy

EINGINEERING, SOFTWARE AND SERVICES:

Olivetti Information Services, S.p.A.
Milan, Italy

Software Sistemi, S.p.A.
Bari, Italy

Systena, S.p.A.

Sixcom, S.p.A.
Milano, Italy

Radiocor, S.p.A.
Milano, Italy

Elea, S.p.A.
Burolo, Italy

Olivetti Ricerca, Societa Consortile Per Azioni
Pozzuoli, Italy

COMPONENTS FOR INDUSTRIAL APPLICATIONS:

Teknecomp, S.p.A.
Cavaglia, Italy

Eleprint, S.p.A.
Ivrea, Italy

Tecsinter, S.p.A.
Ivrea, Italy

Manifattura Valle dell'Orco, S.p.A.
Sparone Canavese, Italy

Societa Generale Elastomeri-S.G.E., S.p.A
S. Olcese, Italy

Selin Societa per l'Elettronica Industriale e Navale, S.p.A.
Genova, Italy

Aros, S.p.A.
Cormano, Italy

Nord Elettronica, S.p.A
Altare, Italy

Circuiti Stampati Italia, S.p.A.
Pianezza, Italy

CUSTOM INFORMATION TECHNOLOGY SYSTEMS

Tecnost, S.p.A.
Ivrea, Italy

Mael, S.p.A.
Carsoli, Italy

Dating, S.p.A.
Borgoticino, Italy

Tecnotour, S.p.A.
Zola Pedrosa, Italy

Tecnosafe, S.p.A.
Milan, Italy

Larimart, S.p.A.
Roma, Italy

OSAI A-B, S.p.A.
S. Bernardo d'Ivrea, Italy

FACTORY AUTOMATION:

Olivetti Prodotti Industriali, S.p.A.
Marcianise, Italy

SALES SUBSIDIARIES (U.S.A.):

Olivetti USA Inc.
Irving, California

Bunker Ramo Corp.
Dover, Delaware

Triumph-Adler Royal Inc.
Mountainside, California

Olivetti Supplies Inc.
Harrisburg, Pennsylvania

Stock Exchange(s): Milan, Italy

Number of Employees:

1988	57,560	1985	48,944
1987	58,087	1984	47,613
1986	59,091		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1988	L. 8,407,400	L. 356,200
1987	7,375,500	402,000
1986	7,316,900	565,500
1985	6,140,500	503,700
1984	4,578,000	356,000

	No. of Com. Shares	Earn. per Share
1988	447,446,000	L. 647
1987	447,351,000	733
1986	429,230,000	1,097
1985	378,947,000	1,023

L. - Lire.

Revenues By Line of Business
(millions)

	1988	1987
Products & software	L. 5,815,100	L. 5,177,500
Customer engineering	1,238,300	1,093,700
Accessories, spares & other revenues	1,354,000	1,104,300
Total	L. 8,407,400	L. 7,375,500

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988 340	L.	—	—
1987 340		—	
1986 340		—	—
1985 320		—	—
1984 275		—	—

Shareholders' Equity

	Total Equity (millions)	Equity Per Share
1988	L. 3,371,700	L. 7,535
1988	3,281,400	7,335
1986	3,153,700	7,347
1985	2,279,700	6,016
1984	1,958,300	—

Income Account *
(millions)

Year ended Dec. 31	1988	1987
Net revenues	L. 8,407,427	L. 7,375,546
Cost of revenues	5,248,927	4,540,781
Selling, gen. & adm. expenses	2,300,560	2,068,963
Res. & develop. expenses	451,976	428,758
Interest expense (income)	5,247	(5,890)
Loss (gain) on for. curr. trans.	2,030	(103,157)
Research contributions	(46,228)	(49,917)
Other expense (income)	21,927	(39,482)
Earn. of non-consol. cos.	(9,617)	(2,039)
Income before taxes	L. 432,605	L. 537,529
Income taxes	109,854	127,691
Minority interests	(33,448)	7,821
Net Income	L. 356,199	L. 402,017

* Included in Costs and Expenses, Depreciation and Amortization: L.397,222,000,000 in 1988 and L.348,260,000,000 in 1987.

Assets
(millions)

As of Dec. 31	1988	1987
Cash & bank deposits	L. 1,129,240	L. 843,101
Marketable securities	2,524,897	3,238,753
Accts. receiv., net	4,021,365	3,193,573
*Inventories	1,833,393	1,350,254
Prepaid expenses	369,607	373,986
Current Assets	L. 9,878,502	L. 8,999,667
Investments	187,211	174,374
Guarantee deposits	75,631	64,806
Long-term receiv.	18,252	3,401
Deferred inc. taxes	4,056	—
#Fixed assets	1,538,662	1,433,688
#Leased products	20,143	28,215
Defer. charges	52,247	50,838
Total Assets	L. 11,774,704	L. 10,754,989

Liabilities
(millions)

Bank overdrafts	L. 652,626	L. 748,364
Sav. deposits of empl.	14,582	14,257
Long-term debt, curr.	292,850	352,759
Accts. payable	1,845,344	1,463,060
Advances from customers	60,918	31,545
Other payables	575,357	461,675
Income taxes	113,537	79,383
Accruals & other liabilities	940,812	876,391
Curr. Liabilities	L. 4,496,026	L. 4,027,434
Long-term debt	2,869,021	2,438,901
Minority interest	233,906	215,565
Deferred inc. taxes	—	23,075
Reserve for pension liab.	804,059	768,609
+Preferred stock	23,784	23,784
+Common stock	447,446	447,351
+Savings shares	78,629	78,724
Add. paid-in capital	972,500	972,500
Revaluation reserves	432,349	431,413
Retained earnings	1,057,876	966,594
Translation adjustments	7,222	(37,104)
Treasury stock	(4,313)	(3,874)
Net income for the year	356,199	402,017
Total Liabilities & Shareholders' Equity	L. 11,774,704	L. 10,754,989

* At lower of cost or market.
# Less accumulated depreciation.
+ L.1,000 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.15	7.29
%Net Income to Sales	4.24	5.45
%Net Income to Equity	10.56	12.25
Debt to Equity	1.13	1.08
Working Capital (millions)	L. 5,382,476	L. 4,972,233
Current Ratio	2.20	2.23
Shareholders' Equity (millions)	L. 3,371,692	L. 3,281,405

Optical Radiation Corporation

1300 Optical Drive
Azusa, California 91702
(818) 969-3344
FAX: (818) 334-4168

Officers: Richard D. Wood, chairman of the board & president; John N. Wilkinson, sr. v.p.-corp. development & secretary; Gregg Whitaker, sr. v.p.-Ophthalmic Surgical Products Division; Gary N. Patten, v.p.-finance & treasurer; Philip J. Englund, v.p.-legal; R. Richard Geatty, group v.p.-Scientific/Industrial Group; William T. Sullivan, group v.p.-Consumer Optical Group.

Directors: Richard D. Wood, chairman; John N. Wilkinson, Louis W. Biegler, Vernon H. Blackman, Roland Seidler, Jr., Frank D. Wood.

Areas of Work: Designs and manufacturers a wide variety of precision optical components and optical systems for medical, industrial, and scientific applications. Products include ophthalmic lenses, optical projection systems, automatic optical inspection systems, high-intensity light sources, photo exposure systems and precision metal optics.

Divisions and Subsidiaries:

Omega Optical Co., Inc.
Precision Optics, Inc.
Milroy Optical Co., Inc.
Keratometrix, Inc.
Theater and Audio-Visual Division
Electroforming Division
IC100 Division
Electronic Products Division
Lamp Division
Opthalmic Surgical Products Division
Orcolite Division

Transfer Agent(s):

Security Pacific National Bank
701 South Western Avenue
Glendale, California 91201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORCO (NASDAQ)

Number of Employees:

1989	1,507	1986	1,404
1988	1,500	1985	1,565
1987	1,497		

Plant Footage:

1989	N.A.	1986	478,000
1988	493,000 sq. ft.	1985	504,000
1987	466,000		

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income
1989	$ 109,567,000	$ 4,453,000
1988	100,316,000	8,588,000
1987	100,658,000	9,127,000
1986	95,637,000	8,346,000
1985	96,505,000	12,476,000

	No. of Com. Shares #	Earn. per Share #
1989	6,692,000	$ 0.66
1988	7,606,000	1.13
1987	8,229,000	1.11
1986	8,284,000	1.01
1985	8,330,000	1.50

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 84,005,000	$ 13.12
1988	88,110,000	12.51
1987	93,069,000	11.68
1986	88,141,000	10.77
1985	77,819,000	9.83

Income Account*

Year ended July 31	1989	1988
Net sales	$ 109,567,000	$ 100,316,000
Cost of sales	60,934,000	54,071,000
Expenses	36,228,000	36,488,000
Interest income	(1,564,000)	(2,435,000)
Interest expense	1,544,000	850,000
Other expenses	92,000	148,000
Income before taxes	$ 12,333,000	$ 11,194,000
Income taxes	2,800,000	2,329,000
Inc. - cont. oper.	$ 9,533,000	$ 8,865,000
Loss - discont. oper.	(5,080,000)	(277,000)
Net Income	$ 4,453,000	$ 8,588,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,534,000 in 1989 and $4,262,000 in 1988.

Assets

As at July 31	1989	1988
Cash & short-term invest.	$ 23,813,000	$ 20,167,000
Accts. receiv., net	18,751,000	16,346,000
*Inventories	25,807,000	24,594,000
Refund. income taxes	—	256,000
Prepaid deferred taxes	4,578,000	2,620,000
Other curr. assets	1,181,000	1,057,000
Current Assets	$ 74,130,000	$ 65,040,000
#Fixed assets	37,484,000	36,323,000
Other assets	10,313,000	10,774,000
Goodwill	9,988,000	10,272,000
Total Assets	$ 131,915,000	$ 122,409,000

Liabilities

Long-term debt, curr.	$ 420,000	$ 463,000
Accts. payable	3,651,000	4,266,000
Accrued payroll	4,674,000	3,962,000
Other accruals	6,090,000	4,778,000
Income taxes payable	4,486,000	5,086,000
Curr. Liabilities	$ 19,321,000	$ 18,555,000
Deferred income taxes	5,953,000	5,401,000
Long-term debt	22,636,000	10,343,000
+ Common stock	3,200,000	3,521,000
Add. paid-in capital	19,308,000	27,530,000
Retained earnings	61,397,000	56,944,000
For curr. trans. adjust.	100,000	115,000
Total Liabilities & Shareholders' Equity	$ 131,915,000	$ 122,409,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Net Income to Equity	5.30	9.75
Sales to Inventories	4.25	4.08
Debt to Equity	0.27	0.12
Working Capital	$ 54,809,000	$ 46,485,000
Current Ratio	3.84	3.51
Shareholder's Equity	$ 84,005,000	$ 88,110,000

Orbit Instrument Corporation

80 Cabot Court
Hauppauge, New York 11788
(516) 435-8300
FAX: (516) 435-8458

Officers: Max Reissman, chairman & president; Mitchell Binder, v.p.-finance, treasurer & asst. secretary; Dennis Sunshine, v.p.-operations & secretary; Bruce Reissman, v.p.-marketing.

Orbit Instrument Corporation

Directors: Max Reissman, chairman of the board; Mitchell Binder, Dennis Sunshine, Edward W. Easton, Barry Silverman, William L. Morrison, Donald S. Rosenberg.

Areas of Work: Designs, manufactures and markets high-quality electrical components and subsystems for use in military, air traffic control and console applications; state-of-the-art semiconductors on a firm order basis to the quick-turnaround and high-reliability markets; and an array of licensed activewear.

Subsidiaries:

Orbit Semiconductor, Inc. (80%-owned)
1230 Bordeaux Drive
Sunnyvale, California 94089
(408) 744-1800
Manufacture of customized semiconductor chips.

Orbit Instrument of California, Inc.
6431 Global Drive
Cypress, California 90630
(714) 527-0561

U.S.A. Classic, Inc.
350 Fifth Avenue
New York, New York 10118
(212) 564-8833
Manufactures men's and boys' clothing under the Everlast and Nautica trademarks.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORBT (NASDAQ)

Number of Employees:

1989	675	1986	296
1988	598	1985	199
1987	312		

Plant Footage:

1989	212,400 sq. ft.	1986	101,600
1988	115,400	1985	61,000
1987	101,600		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 50,689,000	$ (2,724,000)
1988	37,970,000	4,165,000
1987	38,943,000	3,686,000
1986	31,147,000	6,631,000
1985	20,009,400	4,231,400

	No. of Com. Shares	Earn. per Share ‡
1989	9,521,000	$ —
1988	9,521,000	0.44
1987	8,998,000	0.40
1986	8,838,000	0.76
1985	7,925,386	0.51

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electronic subsystems	$ 19,283,000	$ 20,937,000
Semiconductor components	21,388,000	17,033,000
Branded apparel	10,018,000	—
Total	$ 50,689,000	$ 37,970,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 55,747,000	$ 5.86
1988	57,946,000	6.09
1987	50,926,000	5.66
1986	45,046,000	5.10
1985	35,345,400	9.00

Income Account*

Year ended June 30	1989	1988
Net sales	$ 50,689,000	$ 37,970,000
Cost of sales	40,189,000	26,403,000
Expenses	10,427,000	5,242,000
Interest expense	1,772,000	789,000
Invest. income	(1,611,000)	(514,000)
Inc. (loss) bef. taxes	$ (88,000)	$ 6,050,000
Income taxes (credit)	(38,000)	1,378,000
Inc. (loss)-cont. oper.	$ (50,000)	$ 4,672,000
Loss-discont. oper.	(2,674,000)	(907,000)
Cum. effect of change in accntng. meth.	—	400,000
Net Income (Loss)	$ (2,724,000)	$ 4,165,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,487,000 in 1989 and $2,667,000 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 3,135,000	$ 2,634,000
Marketable securities	16,052,000	18,866,000
Accts. receiv., net	5,715,000	10,165,000
*Inventories	26,488,000	23,926,000
Prepaid taxes	4,409,000	1,532,000
Deferred tax benefit	2,158,000	2,582,000
Other curr. assets	630,000	355,000
Current Assets	$ 58,587,000	$ 60,060,000
#Fixed assets	18,390,000	13,049,000
Exc. of cost over assets acq.	171,000	2,565,000
Other assets	2,301,000	1,227,000
Total Assets	$ 79,449,000	$ 76,901,000

Liabilities

	1989	1988
Long-term debt, curr.	$ 3,568,000	$ 2,529,000
Bank loan	384,000	980,000
Accts. payable	3,163,000	3,766,000
Accruals	3,547,000	1,844,000
Cust. advances	—	2,230,000
Curr. Liabilities	$ 10,662,000	$ 11,349,000
Long-term debt	12,135,000	7,162,000
Deferred inc. taxes	905,000	444,000
+Common stock	1,050,000	1,050,000
Add. paid-in capital	28,069,000	27,839,000
Retained earnings	29,313,000	32,037,000
Treasury stock	(919,000)	(919,000)
Compensatory stock	(1,766,000)	(2,061,000)
Total Liabilities & Shareholders' Equity	$ 79,449,000	$ 76,901,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
% Net Income to Equity	—	7.19
Sales to Inventories	1.91	1.59
Debt to Equity	0.29	0.18
Working Capital	$ 47,925,000	$ 48,711,000
Current Ratio	5.49	5.29
Shareholders' Equity	$ 55,747,000	$ 57,946,000

Orion Research Incorporated

(A privately-held company)

The Schrafft Center
529 Main Street
Boston, Massachusetts 02129
(617) 242-3900
FAX: (617) 242-4195

NOTE: Acquired by Warburg, Pincus Capital Co., L.P., on December 29, 1988.

Officers: Chane Graziano, president & CEO; Robert E. Kinney, v.p.-finance & administration; Lynn Orlowitz, director-quality assurance & regulatory affairs; Thomas H. Nicholson, v.p.-international sales & marketing; Albert A. Diggens, sr. v.p.-sales & marketing; James Barbookles, v.p.-research/development & engineering; Michael DeTillio, v.p.-operations.

Directors: Richard D. Condon, Alexander Jenkins, III, William J. Kennedy, Raymond W. Strohm, Jeffrey A. Harris, William H. Janeway, Gerald A. Lodge.

Areas of Work: Manufactures specific ion electrodes, digital and analog pH meters and specific ion meters, and related electronic instruments used to analyze chemical solutions and to display and record the resulting data.

Subsidiaries:

Orion Research Puerto Rico, Inc.
Carolina 00630 Puerto Rico
Manufacturer of chemical sensors (electrodes) and related products.

Orion Research AG
Uetikon am See, Switzerland

Orion Research Far East, Inc.
Morrison Hill Road,
Hong Kong

Number of Employees:

1989	340	1986	414
1988	353	1985	482
1987	332		

Plant Footage:

1989	118,000 sq. ft.	1986	118,000
1988	118,000	1985	90,000
1987	118,000		

x Adjusted to reflect stock split.

Pacific Scientific Company

620 Newport Center Drive
Suite 700
Newport Beach, California 92660
(714) 720-1714
FAX: (714) 720-1083

Officers: Harry R. Goff, chairman of the board; Edgar S. Brower, president & chief executive officer; Richard V. Plat, sr. v.p.-finance & administration and secretary; Douglas D. Fockler, v.p.; Richard G. Knoblock, v.p.; Ronald Nelson, v.p.; Charles L. Perry, v.p.; Frank J. Zugel, v.p.; William L. Nothwang, controller; Peer A. Swan, treasurer.

Directors: Harry R. Goff, chairman; Walter F. Beran, Ralph O. Briscoe, Edgar S. Brower, Roger W. Johnson, William A. Preston, Thomas P. Stafford, Harry W. Todd.

Areas of Work: Designs, manufactures and markets technology based proprietary products of high quality to niche markets. Operates in two industry segments: Industrial products and Aerospace products.

Divisions and Subsidiaries:

HTL/Kin-Tech Division
Anaheim & Duarte, California

Develops and markets mechanical shock arrestors, restraint equipment and other safety devices for nuclear power plants; manufactures restraint systems, electro-mechanical flight control components, and hydraulic actuators for military and commercial aircraft; manufactures fire detection and suppression equipment, alternators, pneumatic and electro-mechanical actuators, and other aerospace components.

HIAC/Royco Division
Silver Spring, Maryland

Primary market is detecting and sizing particle contaminants.

IMEC Corporation
Boston, Massachusetts

Produces electronic controllers for the robotic, machine tool, and process machinery markets.

Belfab Division
Daytona Beach, Florida

Manufactures welded and formed metal bellows, and mechanical seals.

Motor & Control Division
Rockford, Illinois

Manufactures low inertia, permanent magnet DC and brushless motors.

Electro Kinetics Division
Santa Barbara, California

Manufactures AC and DC generators and electromechanical actuators.

Pacific Scientific, Ltd.
Bucks, England

Pacific Scientific ATG, Ltd.
Bourne End, England

Pacific Scientific, GmbH
Leo[illegible]berg, West Germany

Pacific Scientific, S.A.R.L.
Pa[illegible]seau, France

Pacific Scientific International Sales Corp.
St. Thomas, U.S. Virgin Islands

Sigma Instruments, Inc.
Weymouth, Massachusetts

Designs, manufactures and markets electrical and electromechanical products for electric utilities and other industries, as well as stepping motors and associated electronics systems for automation applications.

Sigma de Puerto Rico
Hatillo, Puerto Rico

HTL Caribe, Inc.
Luquillo, Puerto Rico

HTL Energy Systems Division
Chandler, Arizona

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
Los Angeles, California

Stock Exchange(s): New York, Midwest

Ticker Symbol: PSX

Number of Employees:

1989	1,810	1986	856
1988	1,877	1985	935
1987	1,902		

Plant Footage:

1989	N.A.	1986	409,000
1988	N.A.	1985	448,000
1987	770,000 sq. ft.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income #
1989	$ 169,599,000	$ 4,367,000
1988	180,886,000	(4,093,000)
1987	156,988,000	4,447,000
1986	86,085,000	2,840,000
1985	86,062,000	5,699,000

	No. of Com. Shares	Earn. per Share #†
1989	5,560,000	$ 0.74
1988	5,513,000	—
1987	5,504,000	0.80
1986	5,500,000	0.52
1985	5,420,000	1.05

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $989,000 ($0.18 per share) in 1989 and $576,000 in 1988.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Aerospace prods.	$ 80,783,000	$ 84,266,000
Industrial prods.	88,816,000	96,620,000
Total	$ 169,599,000	$ 180,886,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.30	—	
1987	0.40	—	—
1986	0.40	—	—
1985	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 60,650,000 ‡	$ 10.91
1988	55,795,000	10.12
1987	61,281,000	11.13
1986	58,650,000	10.66
1985	57,463,000	10.60

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	12/29/89	12/30/88
Net sales	$ 169,599	$ 180,886
Cost of sales	120,738	123,522
Expenses	43,607	54,043
Cost of div. restruc.	—	2,300
Gain on sale of prod. lines	(1,906)	—
Interest expense	5,119	4,676
Interest income	(1,590)	(1,151)
Litigation expense	—	3,700
Inc. (loss) bef. taxes	$ 3,631	$ (6,204)
Income taxes (credit)	253	(1,535)
Net Income (Loss)	$ 3,378	$ (4,669)
Extraord. gain	989	576
Net Income (Loss) & extraord. gain	$ 4,367	$ (4,093)

* Included in Costs and Expenses, Depreciation and Amortization: $7,622,000 in 1989 and $7,819,000 in 1988.

Assets
(000's)

As of	12/29/89	12/30/88
Cash	$ 1,306	$ 1,976
Short-term invest.	5,944	3,295
Trade receiv., net	33,389	32,334
*Inventories	40,265	47,170
Other curr. assets	7,636	7,750
Rl. est. held for sale	—	6,000
Current Assets	$ 88,540	$ 98,525
#Fixed assets	29,916	26,893
Restricted cash	6,163	—
Other assets	24,548	24,288
Total Assets	$ 149,167	$ 149,706

Liabilities
(000's)

Short-term borrowings	$ 20,000	$ 38,000
Accts. payable	12,263	11,726
Accrued payroll	4,059	5,466
Other curr. liab.	5,458	8,041
Accrued litigation exp.	—	3,500
Curr. Liabilities	$ 41,780	$ 66,733
Long-term debt	37,606	22,183
Accrued benefit plan	5,631	4,995
+ Preferred stock	3,500	—
++ Common stock	5,560	5,513
Add. paid-in capital	5,426	4,732
Retained earnings	49,664	45,550
Total Liabilities & Shareholders' Equity	$ 149,167	$ 149,706

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ No par value; Series B, 10% non-convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.14	—
%Net Income to Sales	1.99	—
%Net Income to Equity	5.27	—
Sales to Inventories	4.21	3.83
Debt to Equity	0.90	1.08
Working Capital	$ 46,760,000	$ 31,792,000
Current Ratio	2.12	1.48
Shareholders' Equity	$ 64,150,000	$ 55,795,000

Panelgraphic Corporation

(The Company went private in 1989.)

10 Henderson Drive
P.O. Box 1265
West Caldwell, New Jersey 07006
(201) 227-1500

Officers: Edward E. Finney, chairman of the board & president; Stewart Nellis, v.p.-marketing & sales; Jules Denzler, secretary & general counsel; Darryl W. Brixius, v.p. & technical director; James M. Johnson, v.p.-operations & treasurer.

Directors: Edward E. Finney, chairman; Henry Avery, William E. Kulsar, John H. Killion.

Areas of Work: Produces specialty coatings for plastics. The company has developed a series of high-performance transparent coatings to achieve a marked upgrading of engineering plastics to create high value-added composites.

Number of Employees:

1988	88	1985	85
1987	N.A.	1984	N.A.
1986	85		

N.A. - Not Available.

Plant Footage:

1988	50,000 sq. ft.	1985	50,000
1987	50,000	1984	50,000
1986	50,000		

Sales & Earnings

	Revenues	Net Income
1988	$ 6,061,000	$ 457,755
1987	4,747,000	418,674
1986	4,554,000	(48,697)
1985	4,399,000	(53,063)
1984	3,938,000	82,562

	No. of Com. Shares #	Earn. Per Share #
1988	977,836	$ 0.47
1987	977,836	0.43
1986	977,836	—
1985	976,488	—
1984	974,966	0.09

(Loss)
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	3-for-2
1987	—	15%&25%	

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 1,610,135	1.65
1987	1,152,380	1.18
1986	733,706	0.75
1985	782,403	0.80
1984	832,653	0.85

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account*

Year ended Aug. 31	1988	1987
Revenues	$ 6,060,801	$ 4,747,228
Cost of sales	3,285,118	2,858,569
Expenses	2,012,730	1,650,519
Interest expense	59,328	79,869
Interest income	(21,562)	(10,403)
Other income	—	(250,000)
Income bef. taxes	$ 725,187	$ 418,674
Income taxes	267,432	—
Net Income	$ 457,755	$ 418,674

* Included in Costs and Expenses, Depreciation and Amortization: $87,574 in 1988 and $83,790 in 1987.

Assets

As of Aug. 31	1988	1987
Cash	$ 606,293	$ 349,614
Accts. receiv., net	719,561	658,995
*Inventories	382,595	401,004
Prepaid expenses	33,531	29,637
Current Assets	$ 1,741,980	$ 1,439,250
#Fixed assets	939,456	695,093
Deposits	38,687	—
Patents	7,875	15,301
Total Assets	$ 2,727,998	$ 2,149,644

Liabilities

Notes payable	$ 246,042	$ 17,969
Accts. payable	226,226	266,764
Accrued expenses	209,994	174,916
Curr. Liabilities	$ 682,262	$ 459,649
Notes payable	376,030	503,195
Deferred inc. taxes	59,571	34,420
+Common stock	97,784	52,144
Add. paid-in capital	836,115	490,510
Retained earnings	676,236	609,726
Total Liabilities & Shareholders' Equity	$ 2,727,998	$ 2,149,644

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	11.97	—
%Net Income to Revenues	7.55	8.82
%Net Income to Equity	28.43	36.33
Debt to Equity	0.39	0.45
Working Capital	$ 1,059,718	$ 979,601
Current Ratio	2.55	3.13
Shareholders' Equity	$ 1,610,135	$ 1,152,380

Park Electrochemical Corp.

5 Dakota Drive
Lake Success, New York 11042
(516) 354-4100
FAX: (516) 354-4128

Officers: Jerry Shore, chairman, chief executive officer and president; E. Philip Smoot, exec. v.p.; Harry Linzer, v.p., treasurer & secretary; Allen Levine, v.p. & chief financial officer; Brian Shore, general counsel.

Directors: Anthony Chiesa, Jerry Shore, Norman M. Schneider, Brian E. Shore, Lloyd Frank, E. Philip Smoot.

Areas of Work: Engaged in the design, manufacture and marketing of electronic materials and components, plumbing hardware, and industrial components. The electronic products include sophisticated multilayer circuitry materials used in electronic interconnections, as well as front panels and nameplates, for use in electronic equipment. The plumbing hardware products include bath spouts, shower heads, kitchen hose and spray head units, and faucets manufactured for original equipment manufactures, hardware and plumbing wholesalers and home improvement centers. The industrial components consist of decorative hardware used primarily by manufacturers of household appliances and automobiles.

Divisions and Subsidiaries:

New England Laminates Co., Inc.
3 Elm Street
Walden, New York 12586

Zin-Plas Corporation
25 North Park Street
Comstock Park, Michigan 49321

Dielectric Polymers, Inc.
218 Race Street
Holyoke, Massachusetts 01040

Nelco Products, Inc.
1411 E. Orangethorpe Avenue
Fullerton, California 92631

New England Laminates (U.K.) Limited
1 Paddock Road
Skelmersdale, Lancashire, United Kingdom

Grand Rapids Die Casting Corp.
Grand Rapids, Michigan

Nelco Technology, Inc.
Tempe, Arizona

Nelco GmbH
Stuttgart, West Germany

Nelco, S.A.
Mirebeau-sur-Beze, France

Nelco Products Pte. Ltd.
Jurong, Singapore

FiberCote Industries, Inc.
Waterbury, Connecticut

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: PKE

Number of Employees:

1990	1,300	1987	1,000
1989	1,300	1986	935
1988	1,170		

Sales & Earnings

	Net Sales	Net Income
1990	$ 148,231,000	$ 4,138,000
1989	146,913,000	7,633,000
1988	128,136,000	7,030,000
1987	102,777,000	5,885,000
1986	87,786,000	4,380,000

	No. of Com. Shares #	Earn. per Share #
1990	5,147,000	$ 0.80
1989	5,175,000	1.47
1988	5,160,000	1.36
1987	5,156,000	1.14
1986	5,151,000	0.85

* 53 weeks.
# Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Electronics	$ 120,825	$ 121,225
Plumbing hardware	19,766	19,102
Industrial components	7,640	6,586
Total	$ 148,231	$ 146,913

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.32	—	—
1989	0.24	—	
1988	0.15	—	—
1987	0.12	—	—
1986	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 66,923,000	$ 13.24
1989	66,353,000	12.82
1988	60,571,000	11.71
1987	52,870,000	10.25
1986	46,798,000	9.08

Income Account *

Year ended	2/25/90	2/26/89
Net sales	$ 148,231,000	$ 146,913,000
Cost of sales	124,753,000	119,204,000
Expenses	18,682,000	18,469,000
Interest expense	2,816,000	3,001,000
Other income	(4,998,000)	(4,407,000)
Income before taxes	$ 6,978,000	$ 10,646,000

Income taxes	2,840,000	3,805,000
Cum. effect of acct. change	—	(792,000)
Net Income	$ 4,138,000	$ 7,633,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,332,000 in 1989 and $4,816,000 in 1988.

Assets

As of	2/25/90	2/26/89
Cash & cash equiv.	$ 39,708,000	$ 20,796,000
Market. securities	15,331,000	39,747,000
Accts. receiv., net	25,502,000	22,938,000
*Inventories	13,904,000	12,447,000
Prepaid exp. & other assets	2,522,000	2,743,000
Current Assets	$ 96,967,000	$ 98,671,000
#Fixed assets	35,510,000	34,160,000
Other assets	2,566,000	2,315,000
Total Assets	$ 135,043,000	$ 135,146,000

Liabilities

Bank loans & notes payable	$ 3,750,000	$ 3,321,000
Long-term debt, curr.	282,000	297,000
Accts. payable	15,032,000	14,720,000
Accruals	6,314,000	5,993,000
Income taxes	1,060,000	3,807,000
Curr. Liabilities	$ 26,438,000	$ 28,138,000
Long-term debt	35,104,000	35,373,000
Deferred inc. taxes	5,696,000	5,282,000
Deferred pension liab.	882,000	—
+Common stock	518,000	518,000
Add. paid-in capital	17,313,000	17,313,000
Retained earnings	49,045,000	46,552,000
Cum. trans. adj.	2,022,000	1,970,000
Deferred pension costs	(346,000)	—
Total Liabilities & Shareholders' Equity	$ 135,043,000	$ 135,146,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.71	7.25
%Net Income to Sales	2.79	5.20
%Net Income to Equity	6.18	11.50
Sales to Inventories	10.66	11.80
Debt to Equity	0.58	0.59
Working Capital	$ 70,529,000	$ 70,533,000
Current Ratio	3.67	3.51
Shareholders' Equity	$ 66,923,000	$ 66,353,000

Parker Hannifin Corporation

17325 Euclid Avenue
Cleveland, Ohio 44112-1290
(216) 531-3000
FAX: (216) 383-9414

Officers: Patrick S. Parker, chairman of the board; Paul G. Schloemer, president & chief exec. officer; Duane E. Collins, exec. v.p. & president-International; Michael J. Hiemstra, v.p.-finance & administration & chief financial officer; James P. Mockler, v.p. & president-Fluidpower; Robert H. Rau, v.p. & president-Aerospace; William D. Wilkerson, v.p. and technical director; Dennis W. Sullivan, exec. v.p.& chief operating exec.-Industrial & Automotive Aftermarket; John L. Hanson, v.p.-human resources; Harold C. Gueritey, Jr., controller; Joseph D. Whiteman, v.p., general counsel & secretary; Donald A. Zito, v.p. & president-Fluid Connectors; Wallace C. Young, treasurer.

Directors: Allen H. Ford*, Frank A. LePage, Patrick S. Parker*, Scott A. Rogers, Jr., Maurice L. Schwarz, Richard Bertea*, John G. Breen, Robert H. Cannon, Jr., Paul G. Schloemer*, Dennis W. Sullivan, Allan L. Rayfield*, Paul C. Ely, Jr.*.

* Member of the Executive Committee

Areas of Work: Industrial products include: hydraulic, pneumatic and cryogenic cylinders, valves, control, and filters, hydraulic pumps, accumulators, motors, and power system units, hose, tube and applicable connectors and fittings; sealing devices, worm drive clamps, refrigeration and air conditioning system components. Aviation/Space Marine products include: gas turbine fuel injection control valves and nozzles; precision control valves for cryogenic and conventional fuels; valves for pressurized gases used in space experiments and space craft altitude jets; hydraulic valves; and biomedical products. Automotive products include: worm drive clamps; thermostats; windshield wiper blades and refills; windshield washer pumps; turn signal and hazard warning flashers, mirrors, radio antennas; air conditioner fittings, hose assemblies; receiver-dryers, valves couplers and mufflers; grease guns; oilers; tire valves, gauges and hardware; air line couplers; blow guns; seals; disc and drum brake fluids and components.

Operating Groups:

Parker Bertea Aerospace Group
18321 Jamboree Boulevard
Irvine, California 92715
(714) 833-3000

Automotive Group
707 Skokie Boulevard
Suite 500
Northbrook, Illinois 60062
(312) 272-9600

Biomedical Group
17352 Von Karman Avenue
Irvine, California 92714
(714) 851-3357

Electromechanical Controls Group
5500 Business Park Drive
Rohnert Park, California 94928
(707) 584-7558

Fluid Connectors Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluid Connectors Group - Europe
Star House
P.O. Box 192
69/71 Clarendon Road
Watford WD1 1DQ, Herts, England

Fluidpower Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluidpower Group - Europe
Parker Hannifin N.M.F. GmbH
Geestemunder Strasse 42
D5 Koln 60, West Germany

Asia Pacific Group
Latin American Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Latin American Group
17325 Euclid Avenue
Cleveland, Ohio 44112

Parker Nichols Group
48 Woerd Avenue
Waltham, Massachusetts 02254
(617) 894-0650

Automotive & Refrigeration Group
270 Holbrook Drive
Wheeling, Illinois 60090
(312) 459-1411

Seal Group
18321 Jamboree Boulevard
Irvine, California 92715
(714) 833-3000

Seal Group - Europe
Parker-Pradifa GmbH
Postfach 328
D-7120 Bietigheim-Bissingen, West Germany

Divisions and Subsidiaries:

United Aircraft Products, Inc.
3400 Terminal Drive
Dayton International Airport
Dayton, Ohio 90007
(513) 898-1811
Manufactures heat transfer components primarily for the aerospace market.

Compumotor Corporation
1179 N. McDowell Blvd.
Petaluma, California 94952
(707) 778-1244
Manufactures electronic components and systems used to control motion.

Metal Bellows Corporation
Moorpark, California
Sharon, Massachusetts
Manufactures precision welded bellows, pumps, accumulators and fabricated assemblies for aerospace and other high technology applications.

Spaulding Instruments Inc.
Manufactures sophisticated electro-mechanical encoders.

Commercial Filters Division
1515 West South Street
P.O. Box 1300
Lenanon, Indiana 46052
(317) 482-3900
Manufactures cartridge filters and wound filter elements.

Schrader Bellows Inc.
8676 East M-89
Richland, Michigan 49083
(616) 694-9411
Manufactures pneumatic products and automation systems for domestic and international markets.

Gull Inc.
395 Oser Avenue
Smithtown, New York 11787
(516) 231-3737
Manufactures fuel-gaging and monitoring computers, fire-suppression systems, and navigation-monitoring computers for military and commercial aviation.

Bruning Hydraulics
13400 East O Street
P.O. Box 81247
Lincoln, Nebraska 68501-1247
(402) 489-6536
Manufactures hydraulic quick couplers, cylinders, and check valves.

Waterman Hydraulics
Niles, Illinois
Manufactures hydraulic control valves for a variety of fluid power applications.

Stratoflex, Inc.
220 Roberts Cut-Off Road
P.O. Box 10398
Fort Worth, Texas 76114-0398
(817) 738-6543
Manufactures fluid connectors.

Transfer Agent(s):

AmeriTrust Company N.A.
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: PH

Number of Employees:

1989	33,463	1986	26,564
1988	33,255	1985	23,616
1987	27,608		

Parker Hannifin Corporation

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 2,520,204	$ 124,475
1988	2,251,699	106,539
1987	1,946,328	84,432
1986	1,791,825	80,568
1985	1,550,434	75,946

	No. of Com. Shares +	Earn per Share #
1989	48,832,000	$ 2.55
1988	48,714,000	2.20
1987	48,239,000	1.77
1986	47,310,000	1.73
1985	46,121,000	1.66

+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1989	1988
Industrial	$ 1,560,198	$ 1,359,040
Aerospace	702,839	658,047
Automotive	262,913	239,556
Interseg. sales	(5,746)	(4,944)
Total	$ 2,520,204	$ 2,251,699

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 0.84	—	—
1988	0.82	—	
1987	0.80	—	—
1986	0.76	—	3-for-2
1985	0.73	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 840,522,000	$ 17.21
1988	845,741,000	17.36
1987	756,679,000	15.69
1986	665,440,000	14.07
1985	588,398,000	12.76

† Adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 2,520,204	$ 2,251,699
Cost of sales	1,982,748	1,754,928
Expenses	312,125	295,259
Prov. for bus. restruc.	5,535	—
Interest expense	53,148	38,986
Interest & other income	(7,957)	(5,152)
Loss on dispos. of assets	4,016	3,841
Income before taxes	$ 170,589	$ 163,837
Income taxes	67,812	57,298
Cum. effect of acct. change	(21,698)	—
Net Income	$ 124,475	$ 106,539

* Included in Costs and Expenses, Depreciation and Amortization: $95,840,000 in 1989 and $84,762,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 29,113	$ 20,020
Accts. receiv., net	374,067	358,169
*Inventories	640,944	515,031
Prepaid expenses	14,469	21,729
Def. inc. taxes	29,612	48,107
Current Assets	$ 1,088,205	$ 963,056
Investments & other assets	34,819	35,896
#Fixed assets	741,124	692,325
Exc. cost of invest. over assets acquired	58,389	62,986
Total Assets	$ 1,922,537	$ 1,754,263

Liabilities
(000's)

	1989	1988
Notes payable	$ 120,710	$ 84,624
Accts. payable	149,771	146,558
Accrued payroll	65,621	65,2[illegible]
Accrued taxes	29,573	38,503
Other accruals	119,324	88,430
Current Liabilities	$ 484,999	$ 423,343
Long-term debt	494,469	405,779
Other liabilities	54,750	27,375
Deferred inc. taxes	47,797	52,025
+Common stock	24,416	24,357
Add. paid-in capital	156,277	154,351
Retained earnings	735,025	651,517
Def. compensation rel. to ESOP debt guarantee	(70,000)	—
For. curr. trans. adj.	(5,196)	15,516
Total Liabilities & Shareholders' Equity	$ 1,922,537	$ 1,754,263

* At lower of cost or market. Majority of domestic inventories stated at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	6.77	7.28
%Net Income to Sales	4.94	4.73
%Net Income to Equity	14.81	12.60
Sales to Inventories	3.93	4.48
Debt to Equity	0.73	0.58
Working Capital	$ 603,206,000	$ 539,713,000
Current Ratio	2.24	2.27
Shareholders' Equity	$ 840,522,000	$ 845,741,000

Parlex Corporation

145 Milk Street
Methuen, Massachusetts 01844
(508) 685-4341

Officers: Herbert W. Pollack, president & treasurer; Robert D. Cyr, senior vice president; Jill Pollack Kutchin, v.p.-corporate affairs & clerk; Steven M. Millstein, v.p.-finance.

Directors: Herbert W. Pollack, chairman; Nathan Cohn, Robert D. Cyr, Stanley R. Klion, M. Joel Kosheff, Lester Pollack, Benjamin M. Rabinovici.

Areas of Work: Engaged in the design and manufacture of interconnection and packaging products for semiconductors and electronic components. The company's custom product line of flexible printed circuits and flexible-rigid multilayers can include the assembly of surface mount components. The company also manufactures custom laminated cable and complex rigid multilayer circuits.

Divisions and Subsidiaries:

Methuen Division
145 Milk Street
Methuen, Massachusetts 01844
(508) 685-4341

Laminated Cable Division
7 Industrial Way
Salem, New Hampshire 03079
(603) 89.-0040

Parlex Nevada, Inc.
3000 Conestoga Drive
Carson City, Nevada 89706
(702) 882-4165

Transfer Agent(s):

State Street Bank & Trust Company
Boston, Massachusetts 02101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PRLX (NASDAQ)

Number of Employees

1989 500   1988 675

Plant Footage

1989 .... 186,000 sq. ft. 1988 186,000

Sales & Earnings

	Net Sales †	Net Income
1989	$ 32,900,000	$ (2,179,000)
1988	35,433,000	249,000
1987	34,535,000	2,366,000
1986	28,255,000	2,239,000
1985	25,321,000	2,097,000

	No. of Com. Shares +	Earn. per Share +
1989	2,453,350	$ —
1988	2,484,521	0.10
1987	2,494,688	0.95
1986	2,472,010	0.91
1985	N.A.	0.85

(Loss)
N.A. - Not avalable.
† Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 15,230,000	$ 6.21
1988	17,471,000	7.03
1987	17,716,000	7.10
1986	15,187,000	6.14
1985	12,907,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 32,900,678	$ 35,432,927
Cost of sales	31,039,641	30,185,674
Expenses	4,612,242	4,456,634
Oper. profit (loss)	$ (2,751,205)	$ 790,619
Other income	(218,751)	(209,630)
Interest expense	194,288	228,218
Inc. (loss) bef. taxes	$ (2,726,742)	$ 772,031
Income taxes (credit)	(1,004,513)	149,771
Inc. (loss) from cont. oper.	$ (1,722,229)	$ 622,260
Loss from discont. oper.	(457,171)	(373,258)
Net Income (Loss)	$ (2,179,400)	$ 249,002

* Included in Costs and Expenses, Depreciation and Amortization: $2,308,297 in 1989 and $2,193,829 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 1,062,127	$ 165,272
Accts. receiv., net	4,581,645	5,818,312
Refundable taxes	1,623,682	1,096,148
*Inventories	3,979,236	6,617,185
Other curr. assets	229,971	186,186
Current Assets	$ 11,476,661	$ 13,883,103
#Fixed assets	11,808,525	13,165,340
Other assets	54,066	156,851
Total Assets	$ 23,339,252	$ 27,205,294

Liabilities

	1989	1988
Long-term debt, curr.	$ 214,672	$ 214,659
Accts. payable	2,100,198	2,266,103
Accruals	1,496,138	1,404,953
Current Liabilities	$ 3,811,008	$ 3,885,715
Long-term debt	1,836,424	3,774,900
Deferred inc. taxes	2,462,263	2,073,847
+Common stock	251,735	251,735
Add. paid-in capital	2,906,576	2,885,326
Retained earnings	12,694,371	14,873,771
Treasury stock	(623,125)	(540,000)
Total Liabilities & Shareholders' Equity	$ 23,339,252	$ 27,205,294

* At lower of cost (FIFO) or market. Work in progress represents costs accumulated under a job-cost accounting system less the estimated cost of shipments to date, in the aggregate not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
% Net Income to Equity	—	1.43
Sales to Inventories	8.27	5.35
Debt to Equity	0.13	0.23
Working Capital	$ 7,665,653	$ 9,997,388
Current Ratio	3.01	3.57
Shareholders Equity	$ 15,229,557	$ 17,470,832

The Penn Central Corporation

One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-6600
FAX: (513) 579-0108

Officers: Carl H. Lindner, chairman of the board & chief executive officer; Ronald F. Walker, president & chief operating officer; Neil M. Hahl, sr. v.p.; Robert W. Olson, sr. v.p., general counsel & secretary; David H. Street, sr. v.p.-finance; James E. Schwab, v.p.; Robert J. Siverd, v.p. & associate general counsel; Robert F. Amory, controller; Philip A. Hagel, treasurer; J. Earl Beckman, pres.-Marathon; R. Bruce Brumbaugh, v.p.-Risk Management; Robert E. Gill, v.p.-taxes.

Directors: Carl H. Lindner*, chairman; Richard Dicker, A. Leon Fergenson, John W. Ingraham, Ronald F. Walker*, Thomas M. Hunt, John H. Williams*, Alfred W. Martinelli*, James E. Evans, S. Craig Lindner, Hugh F. Culverhouse, Theodore H. Emmerich.

* Member of the Executive Committee

Areas of Work: The company manufactures products and supplies services primarily in the areas of industrial manufacturing, defense services, insurance and energy.

Divisions and Subsidiaries:

Penn Central Federal Systems Company
Alexandria, Virginia
(703) 739-2400

Vitro Services Corporation
Ft. Walton Beach, Florida
(904) 244-7711
Manufacture of precision tracking and meteorological radar systems.

Vitro Corporation
Silver Spring, Maryland
(301) 231-1000
Systems and software engineering for the design, coordination and integration of components into unified and effective weapons systems for the U.S. Navy.

Guardian Products/Capital Wire
Greenwich, Connecticut
Manufactures and markets a broad range of electrical wire products for residential and commercial use.

General Cable Company
Woodbridge, New Jersey
(201) 636-5500
Manufacture of wire and cable and related products for the telecommunications market.

Marathon Manufacturing Companies
Houston, Texas
(713) 659-7444

Marathon Battery Company
Waco, Texas
(817) 776-0650
Manufacture of nickel-cadmium and magnesium batteries.

Marathon Flite-Tronics Company
Burbank, California
(818) 841-3210
Manufacture of static inverters.

Marathon LeTourneau Company
Houston, Texas
(713) 659-7444
Manufacture of mobile offshore oil and gas drilling rigs and components; marine repair and parts services; manufacture of heavy equipment.

DI Industries, Inc.
Houston, Texas
Contract oil and gas drilling and oil well service and workover.

Acquisition:

Carol Cable Company, Inc.
Delaware
Supplies electrical and electronic wire and cable for the distributor, retail and original equipment manufacturer markets.

Transfer Agent(s):

First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Philadelphia, Pacific

Ticker Symbol: PC

Number of Employees:

1989	15,100
1988	13,900
1987	15,700
1986	24,300
1985	34,500

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,725,000,000	$ 174,100,000
1988	1,546,500,000	103,400,000
1987	1,421,400,000	36,200,000
1986	1,938,800,000	154,200,000
1985	2,035,200,000	110,800,000

	No. of Com. Share	Earn. per Share #
1989	65,618,101	$ 2.48
1988	71,031,791	1.46
1987	35,694,533	0.46
1986	39,131,651	1.92
1985	40,292,870	1.38

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Wire and cable	$ 610,600	$ 763,300
Heavy equip. manufacturing	264,200	242,300
Technical prods. & servs.	128,000	91,900
Financial	280,700	18,300
Federal systems	389,700	407,100
Energy	51,800	23,600
Total	$ 1,725,000	$ 1,546,500

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.42	—	—
1988	0.10	—	
1987	0.05	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,826,800,000	$ 27.84
1988	1,769,900,000	24.92
1987	1,656,900,000	23.21
1986	2,092,200,000	26.73
1985	1,825,900,000	22.66

‡ Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Revenues:		
Net sales	$ 1,454,000	$ 1,546,500
Net insur. premiums earned	231,100	—
Net invest. inc.-insur. oper.	39,900	—
Total income	$ 1,725,000	$ 1,546,500
Cost of sales	889,600	952,400
Oper. expenses	433,700	419,900
Insur. losses & exp.	233,600	—
Gen. & adm. expenses	69,000	68,800
Interest & dividend inc.	(108,300)	(93,700)
Gain on dispos. of bus.	(74,700)	—
Interest & debt expense	27,900	27,000
Corp. & adm. expenses	21,200	21,100
Income taxes	8,300	16,200
Other expense (income)	(7,700)	6,300
Income before taxes	$ 232,400	$ 128,500
Income taxes	58,300	34,400
Inc. - cont. oper.	$ 174,100	$ 94,100
Inc. - discont. oper.	—	9,300
Net Income	$ 174,100	$ 103,400

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $52,900,000 in 1989 and $35,700,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 16,100	$ 53,600
Receivables, net	372,800	241,200
*Inventories	280,600	246,000
Investments	1,209,100	1,256,800
Invest. of insur. oper.	488,300	—
#Fixed assets	335,600	301,500
Other assets	142,600	220,400
Cost in exc. of assets acq.	333,100	80,800
Total Assets	$ 3,178,200	$ 2,400,300

Liabilities
(000's)

Long-term debt	$ 378,800	$ 168,400
Accts. payable & accruals	350,200	290,500
Insurance claims & reserves	457,500	—
Minority interest	17,500	13,300
Deferred inc. taxes	29,700	29,700
Other liabilities	117,700	128,500
+Common stock	89,800	88,700
Add. paid-in capital	1,942,700	1,861,200
Retained earnings	669,300	524,400
Treasury stock	(875,000)	(704,400)
Total Liabilities & Shareholders' Equity	$ 3,178,200	$ 2,400,300

• At lower of cost (FIFO) or market. Electrical wire stated at LIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.98	—
%Net Income to Sales	11.97	—
%Net Income to Equity	9.53	5.84
Sales to Inventories	5.18	6.29
Debt to Equity	0.21	0.10
Shareholders' Equity	$ 1,826,800,000	$ 1,769,900,000

Penril Corp.

1300 Quince Orchard Blvd.
Gaithersburg, Maryland 20878
(301) 417-0552
FAX: (301) 948-5761

Officers: Henry D. Epstein, chairman, president & chief exec. officer; Harry O. Christenson, exec. v.p. & chief operating officer; Vito L. Greco, v.p. & president-Electro-Metrics Division; John D. Phillips, v.p. & president-Technipower; David L. Johnson, v.p. & president-Penril DataComm.

Directors: Henry D. Epstein, chairman; Dennis B. Heffernan, Richard D. Margolis, Harry O. Christenson, James S. Rice, John P. Lowe, Jr., Howard M. Schneider.

Areas of Work: Designs, develops, manufactures and markets a broad line of data communications equipment, specialized electronic test instruments and power conversion equipment.

Divisions and Subsidiaries:

Penril DataComm Division
1300 Quince Orchard Blvd.
Gaithersburg, Maryland 20878
(301) 921-8600
FAX: (301) 921-8376

Designs, develops, manufactures and markets software, and data communications equipment, which includes statistical multiplexers and modular networking systems and a full range of state-of-the-art modems.

Electro-Metrics Division
100 Church Street
Amsterdam, New York 12010-4299
(518) 843-2600
FAX: (518) 843-2812

Manufactures sophisticated microprocessor-controlled test equipment to measure and record electromagnetic field signal strength.

Technipower Division
Commerce Drive
Commerce Industrial Park
Danbury, Connecticut 06810-9990
(203) 748-7001
FAX: (203) 797-9285

Manufactures power supplies, power control and power conversion equipment. The division also manufactures and markets autotransformers and automatic line voltage regulators.

Penril DataComm, Ltd.
Grafton Way
West Ham Industrial Estate
Basingstoke, Hants, England RG22 6HW

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: PNL

Number of Employees:

1989	409	1987	440
1988	418	1986	1,150

Plant Footage:

1989	142,970 sq. ft.	1987	152,060
1988	127,520	1986	166,170

Sales & Earnings

	Revenues +	Net Income ‡
1989	$ 42,212,000	$ 4,201,000
1988	39,027,000	2,184,000
1987	37,998,000	(11,038,000)
1986	31,835,000	(11,777,000)
1985	30,284,000	39,000

	No. of Com. Shares #	Earn per Share ‡ #
1989	3,086,000	$ 1.36
1988	2,828,000	0.77
1987	2,633,000	—
1986	2,575,000	—
1985	2,580,000	0.02

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $1,049,000 ($0.34 per share) in 1989 and $261,000 ($0.09 per share) in 1988.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ —	20%	—
1988	—	—	
1987	—	—	—
1986	0.08	—	—
1985	0.17	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 8,121,000	$ 2.63
1988	3,921,000	1.35
1987	1,554,000	0.59
1986	10,904,000	4.23

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended July 31	1989	1988
Revenues	$ 42,212,000	$ 39,027,000
Cost of revenues	21,749,000	20,801,000
Expenses	16,241,000	15,389,000
Interest expense	264,000	591,000
Interest income	(119,000)	(41,000)
Other expense	8,000	54,000
Income bef. taxes	$ 4,069,000	$ 2,233,000
Income taxes	196,000	10,000
Income - cont. oper.	$ 3,873,000	$ 2,223,000
Loss - discont. oper.	(721,000)	(300,000)
Net Income	$ 3,152,000	$ 1,923,000
Extraord. gain	1,049,000	261,000
Net Income & extraord. gain	$ 4,201,000	$ 2,184,000

• Included in Costs and Expenses, Depreciation and Amortization: $1,385,000 in 1989 and $1,520,000 in 1988.

Assets

As of July 31	1989	1988
Cash	$ 4,691,000	$ 71,000
Accts. receiv., net	8,722,000	8,811,000
•Inventories	8,660,000	8,465,000
Other curr. assets	402,000	338,000
Current Assets	$ 22,475,000	$ 17,685,000
Net assets of discont. oper.	—	3,459,000
#Fixed assets	3,043,000	3,436,000
Exc. of cost over assets acq.	1,163,000	1,318,000
Other assets	817,000	950,000
Total Assets	$ 27,498,000	$ 26,848,000

Liabilities

Due to bank--loan agree.	$ —	$ 500,000
Long-term debt, curr.	432,000	438,000
Accts. payable	3,803,000	2,779,000
Accrued comp.	1,509,000	1,093,000
Income taxes	329,000	222,000
Other accruals	1,265,000	1,376,000
Curr. Liabilities	$ 7,338,000	$ 6,408,000
Long-term debt	11,810,000	16,188,000
Other liabilities	229,000	331,000
+ Common stock	27,000	23,000
Add. paid-in capital	15,926,000	13,702,000
Retained earnings (def.)	(7,809,000)	(9,846,000)
Foreign curr. trans.	(23,000)	42,000
Total Liabilities & Shareholders' Equity	$ 27,498,000	$ 26,848,000

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	38.81	49.04
Debt to Equity	1.51	4.37
Working Capital	$ 15,137,000	$ 11,277,000
Current Ratio	3.06	2.76
Shareholders' Equity	$ 8,121,000	$ 3,921,000

The Perkin-Elmer Corporation

761 Main Avenue
Norwalk, Connecticut 06859-0001
(203) 762-1000
FAX: (203) 762-6000

Officers: Horace G. McDonell, chairman & chief executive officer; Gaynor N. Kelley, president & chief operating officer; Julianne A. Grace, v.p.-administration; C. Wendell Bergere, Jr., v.p., general counsel & secretary; Walter E. Morgan, sr. v.p.-European operations; Robert J. Murphy, v.p.-sales & service; Riccardo Pigliucci, v.p.-U.S. Instrument Division; Thomas R. Fisher, v.p.-Metco Division; Rhonda L. Seegal, treasurer; William B. Sawch, asst. secretary.

Directors: Horace G. McDonnell*, chairman of the board; E. Russell Eggers, J. David Parkinson*, John S. Scott*, James L. Bast, Donald R. Melville, Richard F. Tucker*, Joseph F. Abeley, Jr.*, John M. Deutch, Gaynor N. Kelley*, George C. Dacey, Robert H. Hayes, Burnell R. Roberts, Richard H. Ayers.

* Member of the Executive Committee

Areas of Work: Products include analytical instruments and materials technology.

Divisions and Subsidiaries:

East Coast Instrument Division
Norwalk, Connecticut

West Coast Instrument Division
Cupertino, California

Sales and Service North America & Far East
Norwalk, Connecticut

Sales and Service Europe & Latin America
Padua, Italy

European Sales Support Center
Vatterstetten, West Germany

Bodenseewerk Perkin-Elmer
Uerberlingen, West Germany

Perkin-Elmer Limited
Beaconsfield, England and Llantrisant, Wales

Metco Division
Westbury, New York

Physical Electronics Division
Eden Prairie, Minnesota

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Pacific

Ticker Symbol: PKN

Number of Employees:

1989	6,585	1986	6,329
1988	6,553	1985	6,540
1987	6,408		

Plant Footage:

1989	2,295,436 sq. ft.	1987	2,269,000
1988	2,182,532		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 784,252,000	$ (24,151,000)
1988	683,791,000	71,762,000
1987	600,465,000	(18,178,000)
1986	525,785,000	72,572,000
1985	467,105,000	82,133,000

	No. of Com. Shares †	Earn. per Share †
1989	43,452,000	$ —
1988	44,611,000	1.61
1987	45,095,000	—
1986	45,186,000	1.61
1985	44,650,000	1.84

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Instruments	$ 653,825	$ 563,837
Material sciences	131,549	121,339
Inter-segment	(1,122)	(1,385)
Total	$ 784,252	$ 683,791

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.660	—	—
1988	0.600	—	
1987	0.600	—	—
1986	0.590	—	—
1985	0.545	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 612,005,000	$ 14.10
1988	722,184,000	16.00
1987	695,628,000	14.98
1986	705,748,000	15.58
1985	619,328,000	14.06

Income Account *
(000's)

Year ended July 31	1989	1988
Net sales	$ 784,252	$ 683,791
Cost of sales	388,308	344,010
Expenses	311,199	275,316
Interest expense	16,996	17,299
Interest income	(5,657)	(6,219)
Other expense	754	415
Income before taxes	$ 72,652	$ 52,970
Income taxes	24,974	19,431
Minority interest	781	468
Inc.-cont. oper.	$ 46,897	$ 33,071
Inc.-discont. oper.	(71,048)	38,691
Net Income (Loss)	$ (24,151)	$ 71,762

* Included in Costs and Expenses, Depreciation and Amortization: $26,895,000 in 1989 and $20,344,000 in 1988.

Assets

As of July 31	1989	1988
Cash & cash equiv.	$ 17,580	$ 19,379
Accts. receiv., net	177,755	179,828
*Inventories	198,901	186,971
Prepaid inc. taxes	23,638	29,385
Prepaid expenses & other curr. assets	21,052	20,400
Current Assets	$ 438,926	$ 435,963
Marketable securities & time deposits	18,649	26,221
# Fixed assets	153,297	121,521
Net assets-discont. oper.	314,957	547,610
Other assets	70,705	41,280
Total Assets	$ 996,534	$ 1,172,595

Liabilities
(000's)

Loan payable	$ 110,544	$ 199,750
Accts. payable	56,378	56,769
Accrued payroll	24,574	25,822
Income taxes	50,556	29,351
Other accruals	66,673	59,438
Curr. Liabilities	$ 308,725	$ 371,130
Long-term debt	32,739	35,354
Other liabilities	42,775	45,869
Minority interest	290	4,719
+Common stock	45,544	45,544
Add. paid-in capital	121,752	127,755
Retained earnings	494,959	547,710
Trans. adjustment	1,106	12,704
Treasury stock	(51,356)	(18,190)
Total Liabilities & Shareholders' Equity	$ 996,534	$ 1,172,595

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	10.03
Sales to Inventories	3.94	3.66
Debt to Equity	0.05	0.05
Working Capital	$ 130,201,000	$ 64,833,000
Current Ratio	1.42	1.17
Shareholders' Equity	$ 612,005,000	$ 715,523,000

Personal Computer Products, Inc.

11590 West Bernardo Court
San Diego, California 92127
(619) 485-8411
FAX: (619) 487-5809

Officers: Edward W. Savarese, chairman of the board, pres. & chief exec. officer; Gerry B. Berg, v.p., operations & chief financial officer; Joseph P. Sigismonti, v.p.-sales & marketing.

Directors: Edward W. Savarese, chairman; Irwin Roth, Harry J. Saal, Gerry B. Berg.

Areas of Work: The Company develops, markets and supplies microcomputers and microcomputer accessory products and technology. Products include laser printers, a laser printer controller board, which enables the host computer to fully utilize the capacities of certain laser printer engines; an IBM PC-compatible modularized microcomputer and related add-on printed circuit boards; and microprocessor-based printed circuit boards designed to plug into Apple microcomputers.

Subsidiary:

ImageSoft, Inc.
Port Washington, New York
Markets & sells a wide variety of software products for software developers and laser printer users.

Transfer Agent(s):

Bank of America National Trust & Savings Association
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PCPI (NASDAQ)

Number of Employees:

1989	85	1986	29
1988	56	1985	34
1987	40		

Plant Footage:

1989	30,000 sq. ft.	1986	9,400
1988	13,000	1985	9,400
1987	9,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 11,225,200	$ (924,400)
1988	10,870,200	(386,600)
1987	5,053,300	(818,800)
1986	2,311,900	(994,400)
1985	4,496,200	(2,296,200)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,657,900	$ —
1988	3,468,400	—
1987	3,421,600	—
1986	3,402,000	—
1985	3,376,800	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ (1,612,500) †	$ —
1988	(1,340,400) †	—
1987	(1,368,600) †	—
1986	(226,700) †	—
1985	976,800	0.29

(Deficiency)
† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Sales of prods.	$ 9,455,000	$ 9,259,300
License fees	1,520,200	1,534,800
Interest income	250,000	76,100
Total revenues	$ 11,225,200	$ 10,870,200
Cost of revenues	8,309,100	7,373,700
Expenses	3,504,300	3,830,200
Interest expense	302,200	7,400
Loss bef. taxes	$ (890,400)	$ (341,100)
Income taxes	34,000	45,500
Net Loss	$ (924,400)	$ (386,600)

* Included in Costs and Expenses, Depreciation and Amortization: $192,500 in 1989 and $161,800 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 633,500	$ 187,000
Short-term invest.	2,345,200	—
Accts. receiv., net	2,649,300	2,953,700
*Inventories	2,583,600	2,418,500
Prepaid expenses	194,100	56,100
Other curr. assets	197,800	49,000
Current Assets	$ 8,603,500	$ 5,664,300
# Fixed assets	264,400	192,600
Long-term receiv.	270,000	—
Debt issuance costs	121,700	—
Cap. software develop. costs	601,000	—
Other assets	103,100	57,600
Total Assets	$ 9,963,700	$ 5,914,500

Liabilities

	1989	1988
Notes payable	$ 750,000	$ 300,000
Accts. payable	1,371,000	965,600
Accruals	506,900	154,000
Other curr. liabilities	90,200	29,300
Curr. Liabilities	$ 2,718,100	$ 1,448,900
Covert. subord. notes pay.	3,631,400	—
Other liabilities	24,700	41,000
+ Preferred stock	5,202,000	5,765,000
++ Common stock	20,200	19,000
Add. paid-in capital	3,517,700	2,866,600
Retained earn. (deficit)	(5,150,300)	(4,225,900)
Treasury stock	(100)	(100)
Total Liabilities & Shareholders' Equity	$ 9,963,700	$ 5,914,500

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1,000 par value; 5% convertible.
++ $0.005 par value.

Statistical Summary

Sales to Inventories	3.66	3.83
Debt to Equity	1.22	0.07
Working Capital	$ 5,885,400	$ 4,215,400
Current Ratio	3.17	3.91
Shareholders' Equity	$ 3,589,500	$ 4,424,600

Philips' Gloeilampenfabrieken

(N.V. Philips' Gloeilampenfabrieken)

Groenewoudseweg 1
5621 BA Eindhoven, The Netherlands
31 -40-783495

(The Company is 99.99%-owned by N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken, which operates solely as the holding company for share capital of the Company.)

Supervisory Board: W. Dekker, chairman; A. Leysen, vice chairman; A. Jiskoot, secretary; D. Noordhof, N. Rodenburg, Sir Peter Carey, C. M. Mueller, P. Leenman, F. X. Ortoli, M. Kuilman.

Board of Management/Group Management Committee: C. J. van der Klugt, president & chairman of the Board of Management and the Group Management Committee; K. Hubee, v.p. and vice chairman of the Board of Management and the Group Management Committee; G. Jeelof, v.p. & vice chairman of the Board of Management and the Group Management Committee; F. F. Otten, v.p. and member of the Board of Management and the Group Management Committee; S. van Houten, G. Lorenz, members of the Board of Management and the Group Management Committee; H. H. A. Appelo, member of the Group Management Committee & Group Director-Accounting; W. de Kleuver, member of the Group Management Committee & chairman of the Senior Management of the Components Division; J. D. Timmer, member of the Group Management Committee & chairman of the Senior Management of the Consumer Electronics Division; J. H. Goris, member of the Group Management Committee & Group Director-Finance; J. J. Tuyt, member of the Group Management Committee.

Areas of Work: The Company manufactures and distributes products in the areas of Lighting; Consumer Electronics; Domestic Appliances; Professional Products and Systems; Components; and Miscellaneous.

Lighting products include incandescent, halogen, and automobile lamps; high- and low-pressure gas-discharge lamps and ballasts; luminaires and lighting electronics; lighting projects; batteries; glass, diamond drawing dies, wire and other components.

Consumer Electronics products include television and radio receivers; monitors; audio and video recorders; video camera recorders; audio and video cassettes; playback equipment for sound and vision; sound and vision carriers; home computers, videotex terminals and other home interactive systems; and hearing aids.

Domestic Appliances include washing machines and dryers; dishwashers; refrigerators and freezers; cookers; microwave ovens; fitted kitchen equipment; vacuum cleaners; electric irons; food preparation machines, food processors, mixers and other small kitchen appliances; coffee makers and toasters; deep-fat friers and grills; fan and heaters; clocks; and electric shavers, hair dryers, solaria and other personal care products.

Professional Products and Systems include telecommunications systems; cable products and systems; defense systems; road, water and air traffic control systems; ground weather stations; mobile radios; dictation machines; office automation and communication systems; medical systems for diagnosis and therapy; analytical equipment; electronic test and measuring instruments; products and systems for factory automation and process automation; automation projects; audio-visual communication systems; electronic security systems; and machines and tools.

Components include picture tubes and television glass; integrated circuits and discrete semiconductors; passive components and materials; special tubes and professional components; optical and magnetic data storage products; display products; glass, metal and plastic components; and printed circuit boards.

Miscellaneous products include brush products and plastics products; and electrical parts.

The Company also engages in extensive research and development activities.

Subsidiaries (The Netherlands):

Nederlandse Philips Bedrijven B.V.
Philips Telecommunicatie en Data Systemen Nederland B.V.
Philips International B.V.
Philips Export B.V.
Philips Lighting Holding B.V.
Philips Lighting B.V.
Philips Medical Systems International B.V.
Philips Medical Systems Nederland B.V.
Polygram N.V. (90%-owned)
Polygram Nederland B.V.
Philips and Du Pont Optical Company (50%-owned)
Whirlpool International B.V. (47%-owned)
AT&T Network Systems International B.V. (40%-owned)
A & M Records, Inc.

Subsidiaries (U.S.A.):

FGP Corporation
North American Philips Corporation
Laser Magnetic Storage International Company (51%-owned)
OptImage Interactive Services Company (50%-owned)
U.S. Philips Corporation
Philips Medical Systems North America, Inc.
Polygram Records, Inc.

Subsidiaries (Canada):

Philips Canada Ltd.
Philips Electronics Ltd.

Stock Exchange(s): Amsterdam, New York, Tokyo

Ticker Symbol: PHG (New York)

Number of Employees: *

1989	305,000	1986	344,000
1988	310,000	1985	346,000
1987	337,000		

* Includes the entire Philips Group.

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1989	f 57,224,000	f 1,374,000
1988	56,079,000	1,056,000
1987	52,715,000	818,000
1986	55,037,000	1,015,000
1985	60,045,000	919,000

	No. of Com. Shares	Earn. per Share † ‡
1989	276,500,000	f 5.16
1988	259,900,000	4.12
1987	255,300,000	3.33
1986	232,500,000	4.39
1985	226,500,000	4.26

f - guilder.
† Including extraordinary gains of f582,000,000 (f2.10 per share) in 1989, f525,000,000 (f2.06 per share) in 1988 and f279,000,000 (f1.09 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Lighting	f 7,521,000	f 6,910,000
Consumer products	23,518,000	24,989,000
Professional prods. & syst.	15,751,000	15,084,000
Components	8,473,000	7,792,000
Miscellaneous	1,961,000	1,304,000
Total	f 57,224,000	f 56,079,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	f 2.00	—	—
1988	2.00	—	
1987	2.00	—	—
1986	2.00	—	—
1985	2.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	f 16,888,000	f 61.09
1988	16,540,000	64.16
1987	15,514,000	60.78
1986	15,858,000	68.20
1985	16,151,000	71.30

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	f 57,224,000	f 56,079,000
Cost of sales	43,417,000	42,263,000
Expenses:		
Selling	11,022,000	10,516,000
Gen. & adm.	1,089,000	1,187,000
Other income	(598,000)	(315,000)
Gearing adjust.	(297,000)	(353,000)
Interest expense	1,324,000	1,971,000
Income before taxes	f 1,267,000	f 810,000
Income taxes	521,000	316,000
Eq. in inc. of unconsol. cos.	(190,000)	(123,000)
Share of other group capital	144,000	86,000
Net Income	f 792,000	f 531,000
Extraord. gain	582 000	525,000
Net Income & extraord. gain	f 1,374,000	f 1,056,000

* Included in Costs and Expenses, Depreciation: f3,431,000,000 in 1989 and f3,356,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	f 1,400,000	f 1,236,000
Marketable securities	147,000	193,000
Accts. receiv., net	16,080,000	15,156,000
*Inventories	12,840,000	12,619,000
Current Assets	f 30,467,000	f 29,204,000
Unconsolidated cos.	3,330,000	3,323,000
#Fixed assets	18,596,000	18,558,000
Intangibles	624,000	47,000
Other assets	1,962,000	1,717,000
Total Assets	f 54,979,000	f 52,849,000

Liabilities
(000's)

Long-term debt, curr.	f 5,577,000	f 4,263,000
Debentures	677,000	289,000
Prepayments receiv.	784,000	874,000
Accts. payable	4,270,000	3,998,000
Inc. tax payable	429,000	424,000
Other taxes payable	1,047,000	964,000
Other debt	1,831,000	1,776,000
Accrued pensions	3,000	5,000
Other accruals	4,678,000	4,533,000
Curr. Liabilities	f 19,296,000	f 17,126,000
Long-term provisions	4,436,000	4,671,000
Short-term provisions	2,102,000	2,159,000
Long-term liabilities	10,036,000	10,100,000
+Common stock	2,765,000	2,599,000
Add. paid-in capital	2,494,000	2,474,000
Revaluation surplus & reserves	7,198,000	7,428,000
Other reserves	4,431,000	4,039,000
Other group capital	2,221,000	2,253,000
Total Liabilities & Shareholders' Equity	f 54,979,000	f 52,849,000

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ f10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.21	1.44
%Net Income to Sales	1.38	0.95
%Net Income to Equity	4.69	3.21
Sales to Inventories	4.46	4.44
Debt to Equity	1.07	0.99
Working Capital (000's)	f 11,171,000	f 12,078,000
Current Ratio	1.58	1.71
Shareholders' Equity (000's)	f 16,888,000	f 16,540,000

Photographic Sciences Corporation

770 Basket Road
P.O. Box 448
Webster, New York 14580
(716) 265-1600
FAX: (716) 265-1689

Officers: Robert S. Ehrlich, chairman & chief exec. officer; L. Michael Hone, president & chief executive officer; Jay Eastman, exec. v.p.; David A. Kostizak, v.p., secretary & treasurer; John A. Boles, v.p.-engineering.

Directors: Robert S. Ehrlich, chairman; A. R. Solomon, Milton P. Axelrod, Donald K. Hess, L. Michael Hone, James W. Henry, James O'Shea, Jack E. Rosenfeld, Justin L. Vigdor.

Areas of Work: A leading manufacturer of equipment serving the worldwide bar code industry. The Bar Code Equipment Group designs, produces and markets hand-held bar code laser scanners. PSC's Image Products Group employs CAD technology to produce precision bar code film masters. AD Data Systems Corporation is a subsidiary of PSC, encompassing the Switching Systems Group. It is a manufacturer of high performance reed-relay switching systems.

Subsidiaries:

Photographic Sciences International Sales Corporation
Photographic Sciences GmbH
Photographic Sciences (Bar Code Products) Limited
Photographic Sciences International Limited
Photographic Sciences (U.K.) Limited

Optel Systems Inc.
Rochester, New York
Manufactures laser diode scanners used to collect data by scanning bar codes printed on labels, tags, containers and other materials.

A. D. Data Systems Corporation

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Rochester, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PSCX (NASDAQ)

Number of Employees:

1989	154	1987	N.A.
1988	114	1986	141

Plant Footage:

1989	N.A.	1987	N.A.
1988	28,200 sq. ft.	1986	42,000

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 12,210,000	$ 353,159
1988	10,137,000	(180,660)
1987	8,808,000	(3,842,889)
1986	5,652,263	(571,921)
1985*	1,622,703	120,096

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	5,069,700	$ 0.07
1988	4,468,538	—
1987	3,826,845	—
1986	2,369,949	—
1985*	2,061,102	0.06

(Loss)
* 6 months.
+ Of continuing operations only.
† Including extraordinary gain of $35,000 ($0.02 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 4,471,926	$ 0.88
1988	2,680,807	0.60
1987	2,514,731	0.66
1986	3,168,525	1.34
1985	1,243,453	0.60

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 12,209,551	$ 10,136,695
Cost of sales	6,972,595	6,101,437
Expenses	4,610,149	3,822,146
Gain on sale of bldg.	(144,900)	(61,597)
Interest income	(27,900)	(13,505)
Interest expense	442,046	381,491
Other expense (income)	(126)	24,777
Inc. (loss)-cont. oper.	$ 357,687	$ (118,054)
Loss-discont. oper.	(4,528)	(62,606)
Net Income (Loss)	$ 353,159	$ (180,660)

* Included in Costs and Expenses, Depreciation and Amortization: $418,286 in 1989 and $437,081 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 427,455	$ 258,480
Accts. receiv., net	2,423,489	1,530,735
Note receiv., curr.	26,379	—
*Inventories	1,714,092	1,187,380
Prepaid expenses	52,383	64,081
Assets - discont. oper.	—	226,824
Current Assets	$ 4,643,798	$ 3,267,500
Note receiv.	9,638	—
#Fixed assets	2,568,123	1,071,774
Intangibles	3,493,339	3,628,259
Other assets	165,522	190,805
Total Assets	$ 10,880,420	$ 8,158,338

Liabilities

Long-term debt, curr.	$ 1,601,376	$ 373,232
Accts. payable	1,563,915	1,230,788
Accruals	654,887	574,490
Other curr. liab.	119,849	329,354
Liab. - discont. oper.	—	144,122
Curr. Liabilities	$ 3,940,027	$ 2,651,986
Long-term debt	2,307,667	2,534,925
Retirement agree.	160,800	290,620
+Common stock	52,799	45,030
Add. paid-in capital	11,488,859	10,058,668
Retained earnings (deficit)	(7,069,732)	(7,422,891)
Total Liabilities & Shareholders' Equity	$ 10,880,420	$ 8,158,338

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	7.90	—
Sales to Inventories	7.12	8.54
Debt to Equity	0.87	1.08
Working Capital	$ 703,771	$ 615,514
Current Ratio	1.18	1.23
Shareholders' Equity	$ 4,471,926	$ 2,680,807

Pico Products, Inc.

103 Commerce Boulevard
Liverpool, New York 13088
(315) 451-7700
FAX: (315) 451-7904

Officers: Bernard K. Hitchcock, chairman & chief exec. officer; George M. Knapp, president & chief operating officer; Peter D. Smith, chief financial officer, secretary & treasurer.; Harold R. Thrippleton, v.p. eastern operations..

Directors: Bernard K. Hitchcock, chairman; George M. Knapp, J. Michael Sills, Walter R. Woods.

Areas of Work: Designs, manufactures, imports and markets a wide range of products which receive, distribute, and secure telecommunications signals. Products include cable and video accessories, satellite systems for home and commercial applications, and Pay TV security devices.

Divisions:

Pay TV Security (CATV) Division
Liverpool, New York
Sells several types of Pay TV security products, including notch filter traps, decoders, encoders and accessories.

Printed Circuit Board Division
Produces single- and double-sided printed circuit boards.

Microwave Components Division
Liverpool, New York
Manufactures, imports and sells certain microwave components to the commercial and receive only satellite industries.

Subsidiaries:

Pico Macom, Inc.
12500 Foothill Boulevard
Lakeview Terrace, California 91342

Pico Macom Taiwan, Ltd.
Room 706, No. 136
Sec. 3 Jen-Ai Road
Taipei, Taiwan, R.O.C.

Pico (St. Kitts) Limited
P.O. Box 328
Pond Industrial Estate
Basseterre, St. Kitts, West Indies

Pico (St. Vincent) Limited
Campden Park Industrial Estate
Saint Vincent, West Indies

Pico Cargo, Inc.
Pico Satellite, Inc.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
20 Clinton Avenue South
Rochester, New York 14603

Stock Exchange(s): American

Ticker Symbol: PPI

Number of Employees:

1989	292	1987	644
1988	680	1986	357

Plant Footage:

1989	168,000 sq. ft.	1987	209,000
1988	156,280	1986	215,000

Sales & Earnings

	Net Sales	Net Income †
1989	$ 29,012,000	$ (5,684,000)
1988	33,781,000	(687,000)
1987	32,073,000	430,000
1986	25,778,000	(2,549,000)
1985	23,849,000	(8,813,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	3,539,000	$ —
1988	3,539,000	—
1987	3,541,000	0.12
1986	3,519,000	—
1985	3,512,000	—

(Loss)
† Including extraordinary gain of $39,000 ($0.01 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 7,259,000	$ 2.04
1988	12,816,000	3.62
1987	13,544,000	3.85
1986	13,125,000	3.73
1985	15,677,000	4.45

Income Account *

Year ended July 31	1989	1988
Net sales	$ 29,011,731	$ 33,780,620
Cost of sales	24,024,824	26,673,305
Expenses	7,212,969	7,625,382
Interest expense	324,672	523,786
Unusual charges	3,304,361	989,302
Other income	(671,303)	(824,954)
Loss bef. change in acct. method	$ (5,683,792)	$ (1,206,201)
Cum. effect of acct. change	—	519,527
Net Loss	$ (5,683,792)	$ (686,674)

* Included in Costs and Expenses, Depreciation and Amortization: $974,931 in 1989 and $1,135,348 in 1988.

Assets

As of July 31	1989	1988
Cash	$ 970,653	$ 921,698
Accts. receiv., net	3,836,260	3,136,173
*Inventories	6,017,918	10,134,964
Prepaid expenses	563,060	690,163
Current Assets	$ 11,387,891	$ 14,882,998
#Fixed assets	4,526,120	6,175,056
Patents & licenses	1,170,155	1,349,610
Exc. of cost over assets acq.	411,421	440,293
Other assets	301,490	663,108
Total Assets	$ 17,797,077	$ 23,511,065

Liabilities

Notes payable	$ 2,308,093	$ 3,189,725
Long-term debt, curr.	521,539	358,518
Accts. payable	2,547,252	2,691,905
Accrued payroll	311,258	573,546
Accrued commissions	29,734	33,724
Accrued interest	31,258	17,224
Curr. Liabilities	$ 5,749,134	$ 6,864,642
Long-term debt	4,788,752	3,829,978
+Common stock	35,559	35,392
Add. paid-in capital	21,473,620	21,454,247
Retained earnings (deficit)	(14,254,604)	(8,570,812)
Cum. trans. adjust.	4,616	(102,382)
Total Liabilities & Shareholders' Equity	$ 17,797,077	$ 23,511,065

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	4.82	3.33
Debt to Equity	1.05	0.58
Working Capital	$ 5,638,757	$ 8,018,356
Current Ratio	1.98	2.17
Shareholders' Equity	$ 7,259,191	$ 12,816,445

Pioneer Electronic Corporation

4-1, Meguro 1-chome
Meguro-ku, Tokyo 153, Japan
(03) 494-1111
FAX: (03) 495-4428

Officers: Seiya Matsumoto*, president & representative director; Kanya Matsumoto*, executive v.p.; Takeo Yamamoto, senior managing director; Kiichi Yoshida, senior managing director; Teruhiko Isobe, senior managing director; Keiichi Yanagisawa, sr. managing director; Masaru Inagaki, managing director; Kaneo Ito, managing director; Masaaki Sono, managing director; Akitaka Kato, director; Shigeyoshi Yanagi, managing director; Norio Ichimura, director; Tsuneo Kudo, director; Ryuichi Noda, director; Akira Tanaka, Director; Makito Baba, Director; Masanao Okatani, Director; Yoshimichi Inada, Director; Katsuhiro Abe, Director.

* Member of the Executive Committee

Areas of Work: The Company manufactures and markets electronics products in four groups: Audio Products, Video Products, Car Electronics Products and others. Audio Products include floor-type and shelf-type packaged stereo component systems, receivers, amplifiers, tuners, turntables, CD and multi-play CD players, digital audio tape and cassette tape decks, speaker systems, CDs and CDVs. Video products include laser disc (LD: laser-optical videodisc) players, CD/CDV/LD players, Laser karaoke (LD singalong) systems, "Laser Juke" (LD jukebox) systems, laser discs, AV Component systems, projection and TV monitor-receivers, color monitors, videocassette recorders, optical-disk subsystems and satellite broadcast receivers. Car electronics products include component-type and combination car stereos, car CD players, car speakers and personal communications transceivers. Others include cable-TV systems-related equipment, loudspeakers for other manufacturers, dictating machines, telephones, telephone-related equipment, loudspeakers for other manufacturers, dictating machines, telephones, telephone-answering devices and other telephone-related equipment, factory-automation systems for other manufacturers, and tape playback equipment for children.

Pioneer Electronic Corporation

Subsidiaries (North America):

Pioneer Electronics (USA) Inc.
2265 East 220th Street
P.O. Box 1720
Long Beach, California 90801-1720
(213) 835-6177
Distribution of Pioneer consumer products (except laser discs).

Pioneer Laser Entertainment, Inc.
California
Distribution of Pioneer laser disc (LD) related entertainment equipment.

Pioneer Electronics Technology, Inc.
California
Manufacture of Pioneer audio and video products.

Pioneer Video Manufacturing Inc.
California
Manufacture of Laser discs.

Pioneer LDCA, Inc.
California
Planning and production of programs for and the distribution of laser discs.

Pioneer Communications of America, Inc.
New Jersey
Distribution of Pioneer cable -TV systems-related equipment and industrial-use video products.

Pioneer Industrial Components, Inc.
Ohio
Manufacture and distribution of car electronics products to automobile manufacturers and, along with loudspeaker units, to others.

Pioneer Electronics of Canada, Inc.
Ontario, Canada
Distribution of Pioneer products.

Subsidiaries (Japan):

Pioneer LDC, Inc.
Tokyo, Japan
Planning and production of programs for, and the distribution of, audio-video software including laser discs.

Pioneer Ansafone Manufacturing Corporation
Saitama, Japan
Manufacture and distribution of telephone-related equipment.

Tohoku Pioneer Electronic Corporation
Yamagata, Japan
Manufacture of Pioneer car-electronics products.

Pioneer Video Corporation
Yamanashi, Japan
Manufacture of LD players and discs.

Pioneer Precision Machinery Corporation
Saitama, Japan
Manufacture of parts for Pioneer products.

Hiwada Electronic Corporation
Fukushima, Japan
Manufacture of parts for Pioneer products.

TECHNO Corporation
Shizuoka, Japan
Manufacture of Pioneer audio products.

Transfer Agent(s):

The Toyo Trust & Banking Co., Ltd.
4-3, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, Japan

Depositary and Registrar (for American Depositary Receipts):

American Depositary Receipts Department
Chemical Bank
55 Water Street
New York, New York 10041 U.S.A.

Custodian (for American Depositary Receipts):

The Bank of Tokyo, Ltd.
6-3, Nihombashi Hongoku-cho 1-chome
Chuo-ku, Tokyo 103, Japan

Stock Exchange(s): Tokyo, New York, Amsterdam, Luxembourg.

Ticker Symbol: PIO (New York Stock Exchange--ADR)

Number of Employees:

1989	12,919	1986	12,437
1988	12,942	1985	12,522
1987	12,745		

Plant Footage:

1989	3,794,000 sq. ft.	1986	3,435,000
1988	3,687,000	1985	3,177,000
1987	3,526,000		

Sales & Earnings

	Net Sales (millions)	Net Income † (millions)
1989*	¥ 224,862	¥ 9,801
1988	404,046	18,409
1987	365,562	11,337
1986	347,006	5,369
1985	341,080	(2,453)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989*	151,248,000	¥ 64.80
1988	151,248,000	121.71
1987	151,248,000	74.96
1986	151,248,000	35.50
1985	150,886,000	—

(Loss)
¥ - Yen
* 6 months.
† Including extraordinary gains of ¥ 660,000,000 (¥ 4.36 per share) in 1989, ¥ 1,678,000,000 (¥ 11.09 per share) in 1988, ¥ 1,224,000,000 (¥ 8.10 per share) in 1987, ¥ 1,290,000,000 (¥ 8.53 per share) in 1986 and ¥ 1,016,000,000 in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(millions)

	1989	1988
Audio products	¥ 89,829	¥ 152,090
Video products	58,966	105,611
Car electronics products	61,790	120,859
Other	14,277	25,486
Total	¥ 224,862	¥ 404,046

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 10.00	—	—
1988	20.00	—	
1987	16.36	—	—
1986	10.91	—	—
1985	10.94	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share ‡
1989	¥ 187,922	¥ 1,242.48
1988	179,748	1,188.43
1987	166,530	1,101.04
1986	157,450	1,041.01
1985	156,575	1,037.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(millions)

Year ended	3/31/89 (6 months)	9/30/88
Net sales	¥ 224,862	¥ 404,046
Other income	4,390	6,128
Total income	¥ 229,252	¥ 410,174
Cost of sales	146,350	258,330
Expenses	57,178	106,197
Interest expense	1,698	2,815
Other expense	3,675	6,673
Income before taxes	¥ 20,351	¥ 36,159
Income taxes	11,504	20,033
Eq. in earn. of affil. cos.	(294)	(605)
Net Income	¥ 9,141	¥ 16,731
Extraord. gain	660	1,678
Net Income & extraord. gain	¥ 9,801	¥ 18,409

* Included in Costs and Expenses, Depreciation: ¥ 7,636,000,000 in 1989 and ¥ 13,169,000,000 in 1988.

Assets
(millions)

As of	3/31/89	9/30/88
Cash & time deposits	¥ 60,132	¥ 60,531
Assets purch. under agree. to resell	7,717	16,994
Marketable securities	1,109	1,403
Accts. receiv., net	73,101	70,705
*Inventories	56,656	61,824
Inc. tax prepayments	9,241	8,531
Prepaid expenses	8,958	8,399
Current Assets	¥ 216,914	¥ 228,387
Market. equity securities	8,230	7,906
Investments & advances	23,017	12,976
Long-term receiv.	146	90
#Fixed assets	67,907	60,820
Other assets	7,022	7,115
Total Assets	¥ 323,236	¥ 317,294

Liabilities
(millions)

Bank loans	¥ 39,829	¥ 49,415
Notes payable	24,550	23,591
Accrued taxes	11,163	12,057
Accrued payroll	9,893	10,167
Other accruals	19,988	20,889
Dividends payable	1,512	3,025
Other current liabilities	11,150	9,054
Curr. Liabilities	¥ 118,085	¥ 128,198
Long-term debt	11,617	3,671
Accrued severance indemnities	4,864	5,127
Minority interest	748	550
+Common stock	15,779	15,779
Add. paid-in capital	47,902	47,902
Legal reserve	2,957	2,785
Retained earnings	129,802	121,685
Cum. trans. adjust.	(8,518)	(8,403)
Total Liabilities & Shareholders' Equity	¥ 323,236	¥ 317,294

* At cost or less, not in excess of market, by the average cost method.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. taxes to Sales	9.05	8.95
%Net Income to Sales	4.07	4.14
%Net Income to Equity	4.86	9.31
Sales to Inventories	3.97	6.54
Debt to Equity	0.27	0.30
Working Capital (000's)	¥ 98,829,000	¥ 100,189,000
Current Ratio	1.84	1.78
Shareholders' Equity (000's)	¥ 187,922,000	¥ 179,748,000

Pioneer-Standard Electronics, Inc.

4800 East 131st Street
Cleveland, Ohio 44105
(216) 587-3600

Officers: Preston B. Heller, Jr., chairman & chief executive officer; James L. Bayman, president & chief operating officer; Lawrence R. Cowin, Jr., vice president-finance & administration, treasurer & asst. secretary; Janice M. Margheret, v.p. & controller; Gerald J. Buddenbaum, v.p.-sales & branch operations; Arthur Rhein, v.p.-marketing; William A. Papenbrock, secretary.

Directors: Preston B. Heller, Jr., chairman; Victor Gelb, Edwin Z. Singer, Frederick A. Downey, James L. Bayman, Thomas C. Sullivan, Lawrence R. Cowin, Jr., Karl E. Ware, Gordon E. Heffern.

Areas of Work: Distributes industrial and consumer electronic components, primarily east of the Rocky Mountains.

Divisions:

Pioneer/Mid-American Division
4433 Interpoint Boulevard
Dayton, Ohio 45424
(513) 236-9900

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Pioneer/Northeast Division
60 Crossways Park West
Woodbury, New York 11797

Affiliate:

Pioneer Technologies Group, Inc.
(50% owned)
9100 Gaither Road
Gaithersburg, Maryland 20760
(301) 948-0710

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Acquisition:

Compumech Electronics, Inc.
Los Alamitos & Milpitas, California

Engaged in application engineering and the marketing of power supplies, power conditioning equipment and uninterruptible power supplies to West Coast customers.

Transfer Agent(s):

AmeriTrust Company N.A.
P.O. Box 6477
Cleveland, Ohio 44114

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PIOS (NASDAQ)

Number of Employees:

1989	936	1986	936
1988	860	1985	1,042
1987	837		

Sales & Earnings

	Net Sales +	Net Income	No. of Com. Shares #	Earn. per Share #
1989	$ 302,308,000	$ 6,722,000	5,402,000	$ 1.24
1988	254,581,000	5,203,000	5,402,000	0.96
1987	212,234,000	462,003	5,402,000	0.09
1986	186,805,000	(2,072,629)	5,402,000	—
1985	215,743,000	3,671,093	5,402,000	0.68

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.13	—	—
1988	0.12	—	
1987	0.12	—	—
1986	0.12	—	—
1985	0.118	—	2-for-1

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 39,807,000	$ 7.37
1988	33,787,000	6.25
1987	29,232,277	5.41
1986	29,418,506	5.45
1985	32,139,367	5.95

Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1989	1988
Net sales	$ 302,308,000	$ 254,581,000
Cost of sales	233,266,000	194,283,000
Expenses	52,451,000	47,395,000
Oper. profit	$ 16,591,000	$ 12,903,000
Eq. in earn. of 50% - owned co.	(100,000)	(851,000)
Interest expense	5,601,000	5,196,000
Inc. bef. taxes	$ 11,090,000	$ 8,558,000
Income taxes	4,576,000	3,355,000
Inc.-cont. oper.	$ 6,514,000	$ 5,203,000
Inc.-discont. oper.	208,000	—
Net Income	$ 6,722,000	$ 5,203,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,762,000 in 1989 and $2,783,000 in 1988.

Assets

As of March 31	1989	1988
Cash	$ 3,157,000	$ 3,354,000
Accts. receiv., net	44,232,000	41,517,000
*Inventories	61,084,000	58,391,000
Prepaid expenses	521,000	268,000
Deferred inc. taxes	1,793,000	1,694,000
Assets of discont. oper.	—	438,000
Current Assets	$ 110,787,000	$ 105,662,000
Investments & other assets	9,129,000	9,029,000
#Fixed assets	13,265,000	12,225,000
Total Assets	$ 133,181,000	$ 126,946,000

Liabilities

Notes payable	$ 2,000,000	$ —
Long-term debt, curr.	306,000	250,000
Accts. payable	27,854,000	25,149,000
Income taxes	1,437,000	1,700,000
Accrued payroll	3,065,000	3,370,000
Other accruals	3,267,000	3,285,000
Liab. of discont. oper.	—	2,280,000
Curr. Liabilities	$ 37,929,000	$ 36,034,000
Long-term debt	54,381,000	56,081,000
Def. inc. taxes	1,064,000	1,044,000
+Common stock	5,402,000	5,402,000
Add. paid-in capital	1,326,000	1,326,000
Retained earnings	33,079,000	27,059,000
Total Liabilities & Shareholders' Equity	$ 133,181,000	$ 126,946,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $1 stated value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.36
%Net Income to Sales	—	2.04
%Net Income to Equity	16.89	15.40
Sales to Inventories	4.95	4.36
Debt to Equity	1.42	1.67
Working Capital	$ 72,858,000	$ 49,628,000
Current Ratio	2.92	1.89
Shareholders' Equity	$ 39,807,000	$ 33,787,000

Pitney Bowes Inc.

Stamford, Connecticut 06926-0700
(203) 356-5000
FAX: (203) 351-6158

Officers: George B. Harvey, chairman, president & chief exec. officer; Steven J. Green, v.p. & controller; Marc C. Breslawsky, pres.-Dictaphone Corporation; Carmine F. Adimando, v.p.-finance & administration and treasurer; Allan A. Crystal, v.p.-corp. taxes; Paul Reece, v.p.-corp. engineering & technology; Michael J. Critelli, v.p., secretary & general counsel; Hiro R. Hiranandani, president-Pitney Bowes Business Systems, International; James L. Bast, pres.-Pitney Bowes Business Systems, U.S.; Douglas A. Riggs, v.p.-corp. communications; John J. Canning, pres.-Pitney Bowes Financial Services; Carole F. St. Mark, pres.-Pitney Bowes Business Supplies and Services; John N.D. Moody, v.p.-corp. planning & development; Anne Pol, v.p.-personnel.

Directors: George B. Harvey, chairman; Colin G. Campbell, Donald W. Davis, John C. Emery, Jr., Charles E. Hugel, David T. Kimball, Denis F. Mullane, Eleanor Holmes Norton, Phyllis Shapiro Sewell, Arthur R. Taylor, Julia M. Walsh.

Areas of Work: The Company manufactures, markets and services products in three industry segments: business equipment, business supplies, and financial services.

The business equipment segment provides postage meters and mailing systems, shipping and weighing systems, copiers and copier supplies, facsimile systems, and voice processing systems.

The business supplies segment provides retail price marking, product identification, and security equipment and supplies through Monarch Marking Systems, Inc. and Data Documents Systems; and business forms and office and computer supplies sold through catalogs from Wheeler Group Inc. and Baldwin Cooke Company

The financial services segment provides leasing and financing for equipment manufactured or sold by Pitney Bowes as well as for products not manufactured or sold by Pitney Bowes.

Operating Units:

Pitney Bowes Business Systems--U.S.

LPC, Inc.

Pitney Bowes Business Systems--International

Pitney Bowes Ges.m.b.H., Austria

Pitney Bowes of Canada Ltd.
Pitney Bowes Oy, Finland
Pitney Bowes Duetschland GmbH
Dodwell Pitney Bowes K.K., Japan
Pitney Bowes Svenska Aktiebolag, Sweden
Pitney Bowes A.G., Switzerland
Pitney Bowes plc, U.K.
Remington Pty. Ltd. (Australia)
Pitney Bowes (Ireland) Limited
Pitney Bowes Italia S.r.l.

Pitney Bowes Facsimile Systems

Pitney Bowes Business Supplies and Services

Monarch Marking Systems, Inc., U.S.
Monarch Marking Systems Australia Pty. Ltd.
Monarch Marking Systems Ltd., Canada
Monarch Marking Systems de Mexico, S.A. de C.V.
Monarch Marking (S.E.A.) Pte. Ltd., Singapore
Pitney Bowes Marking Systems Ltd., U.K.
Pitney Bowes France S.A.
Baldwin Cooke Inc., U.S.
Baldwin Cooke Company Ltd., Canada
Wheeler Group Inc., U.S.
Data Documents Systems, Inc., U.S.
Pitney Bowes Management Services

Pitney Bowes Financial Services

Pitney Bowes Credit Corporation, U.S.
Colonial Pacific Leasing Corporation, U.S.
PB Leasing Limited, U.K.
Pitney Bowes Canada Ltd.-Leasing Division
Adrema Leasing Corporation, West Germany
Pitney Bowes Real Estate Financing Corporation

Voice Processing Systems

Dictaphone Corporation, U.S.
Dictaphone Canada Ltd.
Dictaphone International A.G., Switzerland
Dictaphone Company Limited, U.K.

Acquisition:

Pandick Technologies, Inc.
A leading United States provider of onsite contract services for mailroom management and reprographics and related services.

Transfer Agent(s):

Manufacturers Hanover Trust Company
(common, preference, and preferred)
Equity Services
450 West 33rd Street, 15th Floor
New York, New York 10001-2697

Stock Exchange(s): New York, Midwest*, Philadelphia*, Boston* * Unlisted trading privileges.

Ticker Symbol: PBI

Number of Employees:

1989	31,404	1986	29,166
1988	29,316	1985	28,995
1987	29,460		

Sales & Earnings

	Revenues +	Net Income
1989	$ 2,875,685,000	$ 252,767,000
1988	2,575,652,000	243,358,000
1987	2,269,818,000	199,448,000
1986	1,988,710,000	167,924,000
1985	1,786,807,000	150,357,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	79,323,046	$ 3.19
1988	78,999,668	3.08
1987	78,928,829	2.53
1986	79,224,699	2.12
1985	79,127,040	1.90

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1989	1988
Business equip.:		
Mailing systems	$ 1,525,100	$ 1,415,200
Copying systems	302,200	273,300
Voice processing systems	291,800	267,500
Business supplies & serv.	301,200	253,800
Financial services	455,400	365,900
Total	$ 2,875,700	$ 2,575,700

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.04	—	—
1988	0.92	—	
1987	0.76	—	—
1986	0.66	—	—
1985	0.60	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1989	$ 1,422,280,000	$ 18.15
1988	1,262,286,000	16.16
1987	1,035,756,000	13.56
1986	900.799,000	11.69
1985	781,604,000	10.35

† After allowing for preferred stock at stated values.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 2,875,685	$ 2,575,652
Cost of revenues	983,955	862,191
Expenses	1,291,877	1,199,656
Interest expense	238,375	166,142
Interest income	(9,579)	(5,295)
Transition costs	110,000	—
Income before taxes	$ 261,057	$ 352,958
Income taxes	80,947	122,560
Income from cont. oper.	$ 180,110	$ 230,398
Income from discont. oper.	6,609	12,960
Cum. effect of acct. change	66,048	—
Net Income	$ 252,767	$ 243,358

* Included in Costs and Expenses, Depreciation and Amortization: $194,549,000 in 1989 and $162,587,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 60,998	$ 45,142
Short-term invest.	79	569
Accts. receiv., net	414,180	370,490
Finance receivables	742,397	690,813
*Inventories	440,208	372,574
Other curr. assets	40,720	39,707
Current Assets	$ 1,698,582	$ 1,519,295
#Fixed assets	509,751	465,133
#Rental equip.	595,840	526,937
Prop. under cap. leases	24,851	25,708
Finance receivables	2,464,823	2 063,818
Intangibles	150,444	72,391
Other assets	166,824	115,080
Total Assets	$ 5,611,115	$ 4,788,362

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 1,396,800	$ 1,106,347
Accts. payable & accruals	501,050	446,404
Income taxes	96,705	36,665
Advance billings	276,351	263,654
Curr. Liabilities	$ 2,270,906	$ 1,853,070
Long-term debt	1,369,338	1,059,157
Deferred inc. taxes	465,342	564,321
Other liabilities	77,202	42,637
+Preferred stock	226	284
++Preference stock	5,821	6,607
+++Common stock	161,610	160,964
Add. paid-in capital	150,286	142,896
Retained earnings	1,188,945	1,017,896
Cum. trans. adjust.	3,911	15,644
Treasury stock	(82,472)	(75,114)
Total Liabilities & Shareholders' Equity	$ 5,611,115	$ 4,788,362

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $50 par value; 4% convertible.
++ No par value; $2.12 convertible.
+++ $2 par value.

Statistical Summary

%Net Income to Equity	17.70	19.17
Debt to Equity	1.94	1.71
Shareholders' Equity	$ 1,428,327,000	$ 1,269,177,000

The Plessey Company plc

Vicarage Lane
Ilford, Essex IG1 4AQ, England

Officers: Sir John Clark, chairman & chief executive; S. R. Walls, managing director; Lord Pennock, deputy chairman; W. J. Sinsheimer, deputy chief executive; J. C. Bass, Lord Brookes, V. Butler, Sir Alistair Frame, W. Gosling, K. B. Huntbatch, secretary; Sir Francis Sandilands, D.A.G.R. Simon, C. R. Thompson.

Areas of Work: Principally engaged in the design, development, and manufacture of civil telecommunication and military communication products, command and control networks, radar, sonar, electronic components, semiconductor products, microwave materials, direct and satellite radio communications, environment monitoring systems, traffic controls, precision plastics, and power supplies. Also provides computer services.

Subsidiaries:

Plessey-UK Limited
England

Plessey GmbH
West Germany

Plessey Incorporated
U.S.A.

Plessey South Africa Limited (74%-owned)
South Africa

Birkbys Plastics
United Kingdom
Manufactures precision plastics.

Stromberg-Carlson Corporation
U.S.A.
Manufactures telecommunications products, principally DCO switches to telephone companies.

Plessey SpA
Valdarno, Italy
Manufactures customer switched power supplies.

Plessey Pacific Pty. Ltd.
Australia

Electronique et Systemes SA (74%-owned)
France

Electronica SpA (49% interest)
Italy
Manufactures electronic systems.

GEC Plessey Telecommunications Holdings Ltd.
(50%-owned)
England
Manufactures practically all of Plessey's telecommunications products.

Orbitel Mobile Communications (Holdings) Ltd.
(50%-owned)
England
Manufactures mobile communications.

Sociedad Iberica de Construcciones Electricas SA
(49%-owned)
Spain
Manufactures traffic controls.

Telephone Manufacturers of South Africa (Pty.) Ltd.
(50% interest)
South Africa
Manufactures telecommunications products.

Acquisitions:

Ferranti Semiconductors
Oldham, England
Semiconductor products.

Leigh Instruments Ltd.
Canada
Supplies military avionics and communications equipment to the North American market.

Sippican Inc.
7 Barnabas Road
P.O. Box 861
Marion, Massachusetts 02738
(617) 748-1160
Designs, develops, manufactures and markets expendable oceanographic instrumentation and associated support systems, sonobuoys, acoustic and radio frequency communications devices and mine actuators for use primarily by the United States and other free world navies, as well as by the scientific community.

Hoskyns Group plc (73%-owned)
England
Provides computer services.

Plessey Electronics Systems Corporation
(formerly the Electronic Systems Division of The Singer Compay, U.S.A)
164 Totowa Road
Wayne, New Jersey 07474
(201) 785-6000

Registrar:

The Plessey Company plc
Vicarage Lane
Ilford, Essex IG1 4AQ, England

Depositary for ADRs:

Citibank NA
ADR Department
111 Wall Street
New York, New York 10043 U.S.A.

Stock Exchange(s): London, New York* *Trades as an ADR.

Ticker Symbol: PLY (New York)

Number of Employees:

1989	26,216	1987	31,995
1988	30,138	1986	34,366

Sales & Earnings

	Net Sales	Net Income †
1989	£1,654,900,000	£ 99,100,000
1988	1,300,900,000	131,100,000
1987*	1,429,700,000	116,300,000
1986	1,461,100,000	92,000,000
1985	1,415,700,000	90,900,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	744,300,000	13.31p
1988	740,500,000	17.70
1987*	739,000,000	15.74
1986	737,600,000	12.47
1985	736,600,000	12.34

* 53 weeks
£ - pound sterling.
p - pence.
† Including extraordinary gain of £ 12,400,000 (1.67p per share) in 1988 and extraordinary losses of £ 31,700,000 (4.26p per share) in 1989, £ 3,500,000 (0.47p per share) in 1987, £ 7,500,000 (1.02p per share) in 1986 and £ 2,600,000 (0.35p per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Defense electronics	£ 607,300	£ 453,100
Aerospace and engineering	127,400	107,600
Microelectronics & components	190,500	122,900
Networks and services	172,800	69,100
Discontinued operations	13,600	41,700
Eliminations	(33,200)	(37,300)
Telecommunications	576,500	543,800
Total	£ 1,654,900	£ 1,300,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	7.658p	—	—
1988	6.659	—	
1987	5.790	—	—
1986	5.034	—	—
1985	4.375	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	£ 302,000,000	40.57p
1988	622,500,000	84.06
1987	596,600,000	80.73
1986	523,400,000	70.96
1985	475,200,000	64.51

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	3/31/89	4/2/88
Net sales	£ 1,654,900	£ 1,300,900
Cost of sales & expenses	1,455,600	1,152,300
Share of profits of rel. cos.	(8,300)	(6,900)
Interest expense (income)	12,100	(16,600)
Income before taxes	£ 195,500	£ 172,100
Income taxes	62,600	52,000
Minority interests	2,100	1,400
Net Income	£ 130,800	£ 118,700
Extraord. items	(31,700)	12,400
Net Income & extraord. items	£ 99,100	£ 131,100

* Included in Costs and Expenses, Depreciation: £ 61,100,000 in 1989 and £ 63,300,000 in 1988.

Assets
(000's)

As of	3/31/88	4/2/87
Cash	£ 17,400	£ 12,900
Investments	98,700	266,400
Accts. receiv., net	366,900	299,200
*Inventories	202,300	152,500
Current Assets	£ 685,300	£ 731,000
Investments	274,100	321,200
#Fixed assets	352,700	239,400
Total Assets	£ 1,312,100	£ 1,291,600

Liabilities
(000's)

Long-term debt, curr.	£ 155,200	£ 48,300
Adv. payments	56,200	55,000
Accts. payable	186,800	149,900
Amts. owed to rel. cos.	500	4,800
Cap. lease oblig. curr.	27,500	39,500
Accruals	86,800	51,000
Other payables	47,100	15,300
Capital grants	1,700	2,100
Income taxes	44,300	72,400
Other taxes	28,100	18,600
Dividends payable	37,700	31,700
Curr. Liabilities	£ 671,900	£ 488,600
Long-term debt	171,000	10,500
Other payables	87,600	113,800
Other liabilites & charges	72,200	51,300
Minority interest	7,400	4,900
+Common stock	187,000	185,400
Add. paid-in capital	17,400	8,400
Revaluation reserve	64,500	19,800
Other reserves	1,100	2,300
Profit and loss acct.	32,000	406,600
Total Liabilities & Shareholders' Equity	£ 1,312,100	£ 1,291,600

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	11.81	13.23
%Net Income to Sales	7.90	9.12
%Net Income to Equity	43.31	19.07
Sales to Inventories	8.18	8.53
Debt to Equity	1.08	0.09
Working Capital	£ 13,400,000	£ 242,400,000
Current Ratio	1.02	1.50
Shareholders' Equity	£ 302,000,000	£ 622,500,000

Polaroid Corporation

549 Technology Square
Cambridge, Massachusetts 02139
(617) 577-2000
FAX: (617) 494-0249

Officers: William J. McCune, Jr., chairman of the board; I. MacAllister Booth, president & chief executive officer; Sheldon A. Buckler, exec. v.p.; Milton S. Dietz, sr. v.p.; Peter O. Kliem, sr. v.p.; Owen J. Gaffney, group v.p.; William J. O'Neill, Jr., group v.p.; Lee C. Brewer, group v.p.; Graham M. Brown, Jr., v.p. & controller; Robert M. Delahunt, v.p.; Carl J. Yankowski, v.p.; Richard F. deLima, v.p., secretary & general counsel; Hugh R. MacKenzie, v.p.; Joseph R. Oldfield, v.p.; Carole J. Uhrich, v.p.; Bruce B. Henry, vice president & chief financial officer; Ralph M. Norwood, vice president & controller; Conrad H. Biber, sr. research & engineering fellow; Lloyd D. Taylor, sr. research fellow; Gerald R. Dicker, v.p. & asst. secretary.

Directors: William J. McCune, Jr., chairman; I. MacAllister Booth, Yen-Tsai Feng, Richard D. Hill, Frank S. Jones, Carl Kaysen, Henry Necarsulmer, Kenneth H. Olsen.

Areas of Work: The Company designs, manufactures and markets worldwide a variety of products primarily in instant image recording fields. These products include a variety of color and back-and-white instant photgraphic products and a complete line of video tapes and flexible diskettes; computer image and video image recorders; light polarizing filters and lenses; and diversified chemical, optical and commerical products.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Pacific

Ticker Symbol: PRD

Number of Employees:*

1989	11,441	1986	14,765
1988	11,613	1985	12,932
1987	13,662		

* Includes approximately 300 temporary employees for 1988, 800 for 1987, and 1,900 for 1986

Plant Footage:

1989	7,000,000 sq. ft.	1988	6,000,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,904,700,000	$ 145,000,000
1988	1,862,900,000	(22,600,000)
1987	1,763,900,000	125,200,000
1986	1,629,200,000	108,200,000
1985	1,295,200,000	(2,400,000)

	No. of Com Shares ‡	Earn. per Share ‡
1989	57,568,000	$ 1.96
1988	66,377,000	—
1987	61,918,000	2.02
1986	61,918,000	1.75
1985	61,918,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

-	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.60	—	—
1988	0.60	—	
1987	0.60	—	2-for-1
1986	0.50	—	—
1985	0.50	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 148,800,000	$ 2.58
1988	1,011,500,000	15.24
1987	1,048,200,000	16.93
1986	960,100,000	15.51
1985	882,900,000	14.26

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,904,700	$ 1,862,900
Cost of sales	966,000	1,003,100
Expenses	634,500	686,000
Restruc. expenses	40,500	151,900
Interest expense	86,200	29,000
Interest income	(37,200)	(28,800)
Other expense	2,100	800
Income before taxes	$ 212,600	$ 20,900
Income taxes	67,600	43,500
Net Income (Loss)	$ 145,000	$ (22,600)

* Included in Costs and Expenses and Depreciation: $87,400,000 in 1989 and $81,900,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 131,200	$ 245,400
Short-term invest.	148,100	282,200
Accts. receiv., net	459,500	430,500
*Inventories	529,900	521,500
Prepaid expenses	77,100	43,800
Current Assets	$ 1,345,800	$ 1,523,400
#Fixed assets	430,900	433,800
Total Assets	$ 1,776,700	$ 1,957,200

Liabilities
(000's)

	1989	1988
Short-term debt	$ 299,000	$ 142,200
Accts. payable & accruals	216,200	215,500
Accrued compensation & benefits	143,900	146,800
Income taxes	44,700	38,900
Curr. Liabilities	$ 703,800	$ 543,400
Long-term debt	602,200	402,300
+ Redeem. preferred stock	321,900	—
++ Common stock	75,400	75,400
Add. paid-in capital	379,500	379,500
Retained earnings	955,800	877,500
Treasury stock	(997,500)	(46,900)
Deferred compensation	(264,400)	(274,000)
Total Liabilities & Shareholders' Equity	$ 1,776,700	$ 1,957,200

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. Series B, 11% cumulative convertible; Series C, 11 1/2% cumulative convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.16	1.12
%Net Income to Sales	7.61	—
%Net Income to Equity	97.45	—
Sales to Inventories	3.59	3.57
Debt to Equity	6.06	0.54
Working Capital	$ 642,000,000	$ 980,000,000
Current Ratio	1.91	2.80
Shareholders' Equity	$ 148,800,000	$ 1,011,500,000

Porta Systems Corp.

575 Underhill Boulevard
Syosset, New York 11791
(516) 364-9300
FAX: (516) 682-4655

Officers: Vincent F. Santulli, chairman, president & chief executive and operating officer; William V. Carney, vice chairman, sr. v.p. & secretary; Garet M. Romeo, exec. v.p.; Eladio Rodriguez, v.p.-Caribbean operations; Michael A. Tancredi, v.p.-finance & treasurer; John Gazzo, v.p.-research & development; Daniel G. Romeo, v.p.-national sales; Warren Marcus, v.p.; Jane M. Jozefek, v.p., general counsel & secretary; Daniel J. Fleming, v.p. & controller; Dominick A. Papaleo, v.p.-human resources; Pierre A. Haskelson, v.p.-operations; William L. Babcock, v.p.-marketing; Fabio D. Ramos, v.p.; Robert K. Bennett, v.p.-business development; John G. Corrigan, v.p..

Directors: Vincent F. Santulli, chairman; William V. Carney, Michael A. Tancredi, Garet M. Romeo, Seymour Joffe, Howard D. Brous, E. A. Dominianni, Warren Esanu, Herbert H. Feldman.

Areas of Work: Designs and manufactures telecommunications systems and equipment for telephone operating companies, and suppliers and manufacturers of telecommunication systems and equipment. Major products include equipment used to connect lines and trunks entering central offices with central office equipment, and to provide electrical protection to switching equipment and office personnel; and computer-based electronic systems for testing and identifying faults with subscriber lines and central office switching equipment.

Subsidiaries:

Porta System-Caribbean Corp.
Guaynabo, PR

Porta Systems Limited
Daventry, England

Porta Systems, S.A. de C.V.
Matamoros, Mexico

Woo Shin Electro-Systems Co. (50% owned)
Develops, manufactures and sells line condition report systems in the Republic of Korea.

Acquisition:

Lightwave Products Division
Commack, New York
Fiber optic connectors, cable assemblies, attenuators, and accessories.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): American

Ticker Symbol: PSI

Number of Employees:

1989	700	1986	587
1988	581	1985	550
1987	529		

Plant Footage:

1989	N. A.	1986	133,686
1988	148,262 sq. ft.	1985	177,660
1987	128,281		

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 62,309,000	$ 5,786,000
1988	57,955,000	4,685,000
1987	50,357,000	(3,092,000)
1986	40,709,000	2,500,000
1985	40,517,000	2,841,000

	No. of Com. Shares #	Earn. per Share #
1989	5,495,000	$ 1.05
1988	5,470,983	0.86
1987	5,451,110	—
1986	5,454,410	0.46
1985	5,453,191	0.52

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Line connect./ protect. equip.	$ 47,266	76 %	$ 44,835	77 %
Testing equipment	15,043	24	13,120	23
Total	$ 62,309	100 %	$ 57 955	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 31,292,000	$ 5.69
1988	25,620,000	4.68
1987	20,984,000	3.85
1986	24,146,000	4.43
1985	21,717,000	3.98

‡ Based on the weighted number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 62,309,000	$ 57,955,000
Cost of sales	38,475,000	36,062,000
Sell., gen., & adm. exp.	12,066,000	11,774,000
Res. & develop. exp.	5,054,000	3,723,000
Interest expense	1,670,000	1,689,000
Interest income	(966,000)	(450,000)
Equity in joint venture	(230,000)	70,000
Income bef. taxes	$ 6,240,000	$ 5,087,000
Income taxes	454,000	402,000
Net Income	$ 5,786,000	$ 4,685,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,002,000 in 1989 and $2,155,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 14,899,000	$ 9,821,000
Accts. receiv., net	14,608,000	15,816,000
*Inventories	19,360,000	20,752,000
Prepaid expenses & other assets	340,000	473,000
Current Assets	$ 49,207,000	$ 46,862,000
#Fixed assets	6,289,000	4,844,000
Def. computer software	1,904,000	1,598,000
Intangibles	11,000	24,000
Debt issurance exp.	707,000	803,000
Invest. in joint venture	190,000	—
Deposits & other assets	1,367,000	778,000
Total Assets	$ 59,665,000	$ 54,909,000

Liabilities

Note payable	$ 730,000	$ —
Accts. payable	3,869,000	5,974,000
Accrued payroll	870,000	563,000
Accrued payroll & other taxes	317,000	902,000
Accrued commissions	983,000	1,020,000
Accrued inc. taxes pay.	692,000	629,000
Other accruals	2,891,000	2,273,000
Curr. Liabilities	$ 10,352,000	$ 11,261,000
Long-term liab.	18,021,000	18,028,000
+Common stock	55,000	55,000
Add. paid-in capital	7,527,000	7,463,000
Cum. trans. adj.	(440,000)	(262,000)
Retained earnings	24,154,000	18,368,000
Treasury stock	(4,000)	(4,000)
Total Liabilities & Shareholders' Equity	$ 59,665,000	$ 54,909,000

* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.01	8.78
%Net Income to Sales	9.29	8.08
%Net Income to Equity	18.49	18.29
Sales to Inventories	3.22	2.79
Debt to Equity	0.60	0.70
Working Capital	$ 38,855,000	$ 35,601,000
Current Ratio	4.75	4.16
Shareholders' Equity	$ 31,292,000	$ 25,620,000

Powell Industries, Inc.

8550 Mosley Drive
Houston, Texas 77075
(713) 944-6900
FAX: (713) 944-0652

Mailing address:
P.O. Box 12818
Houston, Texas 77217-2818

Officers: Thomas W. Powell, chairman of the board, president & chief executive officer; Alton L. Nelson, asst. secretary; Corbett U. Allen, Jr., v.p., chief financial officer, secretary & treasurer; Roman R. Rammler, president-Powell Process Systems, Inc.; Adam Janas, president-Delta-Unibus Corp.; Larry D. Davis, president-U.S Turbine Corp.; Thomas F. Watson, Jr., president-Unibus, Inc..

Directors: Thomas W. Powell, chairman; J. F. Ahart, Jesse R. Milam, Jr., Eugene L. Butler, Elbert D. Stewart, Stephen W. Seale, Jr., D.D. Sykora, Bonnie Powell, Everett N. DeVault.

Areas of Work: Designs, manufactures, and markets electrical power distribution and control systems, pre-packaged electrical and instrumental control room buildings, patented and proprietary electronic and computerized process control products and systems and digital control valves.

Divisions and Subsidiaries:

Power Electrical Manufacturing Company
P.O. Box 12818
8550 Mosley Drive
Houston, Texas 77075
(713) 944-6900

Powell-Process Systems, Inc.
P.O. Box 12848
8540 Mosley Drive
Houston, Texas 77075
(713) 947-9470

Powell Industries Offshore
16535 Jacinto Port Boulevard
Channelview, Texas 77530
(713) 452-4885

Unibus, Inc.
15242 Foltz Industrial Pkwy.
Strongsville, Ohio 44136
(216) 238-7035
Manufactures custom-designed bar and cable bus systems for utilities, general industry and research and development facilities.

Delta-Unibus Corporation
11323 West Franklin Avenue
Franklin Park, Illinois 60131
(312) 451-1982
Manufactures isolated phase bus duct used primarily in high reliability, maximum protection power generation applications.

U.S. Turbine Corporation
7685 South State Route 48
Maineville, Ohio 45039
(513) 683-6100
Manufactures gas turbine generator sets for utilities and general industry, including cogeneration systems.

Transfer Agent(s):

NCNB Texas National Bank
Stock Transfer
P.O. Box 4339
Houston, Texas 77210-4339

Stock Exchange(s): Over-the-Counter

Ticker Symbol: POWL (NASDAQ)

Number of Employees:

1989	752	1986	592
1988	616	1985	576
1987	568		

Plant Footage:

1989	453,600 sq. ft.	1986	485,750
1988	444,000	1985	485,750
1987	444,000		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income #
1989	$ 92,767,000	$ 2,188,000
1988	75,466,000	3,044,000
1987	61,439,000	(1,319,000)
1986	69,167,000	(928,000)
1985	59,600,000	(2,607,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1989	10,216,982	$ 0.21
1988	10,204,482	0.30
1987	10,204,482	—
1986	10,204,482	—
1985	10,204,482	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $1,050,000 ($0.10 per share) in 1988.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 23,992,000	$ 2.35
1988	21,391,000	2.10
1987	18,347,000	1.80
1986	19,666,000	1.93
1985	20,594,000	2.02

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Oct. 31	1989	1988
Revenues	$ 92,767,000	$ 75,466,000
Cost of sales	74,013,000	60,544,000
Adm. expenses	5,372,000	5,335,000
Selling expenses	5,657,000	4,213,000
Research & develop.	653,000	323,000
Interest expense	1,290,000	1,066,000
Contingency accrual for legal claims	69,000	600,000
Income before taxes	$ 5,713,000	$ 3,385,000

Income taxes	1,941,000	1,170,000
Inc.-cont. oper.	$ 3,772,000	$ 2,215,000
Loss-discont. oper.	(1,584,000)	(221,000)
Net Income	$ 2,188,000	$ 1,994,000
Extraord. gain	—	1,050,000
Net Income & extraord. gain	$ 2,188,000	$ 3,044,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,327,000 in 1989 and $2,328,000 in 1988.

Assets

As of Oct. 31	1989	1988
Cash	$ 3,116,000	$ 865,000
Accts. receiv., net	27,060,000	20,181,000
*Inventories	21,882,000	12,280,000
Prepaid expenses	1,033,000	651,000
Deferred income taxes	1,640,000	1,268,000
Current Assets	$ 54,731,000	$ 35,245,000
#Fixed assets	13,130,000	12,276,000
Other assets	1,411,000	1,547,000
Total Assets	$ 69,272,000	$ 49,068,000

Liabilities

Notes pay. & long-term debt, curr.	$ 952,000	$ 1,925,000
Accts. payable	12,892,000	8,382,000
Accrued payroll	3,361,000	2,626,000
Accrued product warranty	2,416,000	1,635,000
Other accruals	2,342,000	2,062,000
Progress billings	3,416,000	1,116,000
Curr. Liabilities	$ 25,379,000	$ 17,746,000
Long-term debt	16,254,000	6,040,000
Deferred inc. taxes	1,874,000	2,039,000
Deferred comp.	1,014,000	1,162,000
Contingencies	759,000	690,000
+Common stock	104,000	102,000
Add. paid-in capital	3,314,000	2,903,000
Retained earnings	20,574,000	18,386,000
Total Liabilities & Shareholders' Equity	$ 69,272,000	$ 49,068,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Net Income to Equity	9.12	9.32
Debt to Equity	0.72	0.37
Working Capital	$ 29,352,000	$ 17,499,000
Current Ratio	2.16	1.99
Shareholders' Equity	$ 23,992,000	$ 21,391,000

Premier Industrial Corporation

4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
FAX: (216) 391-8327

Officers: Morton L. Mandel, chairman of the board; Jack N. Mandel, finance committee chairman; Joseph C. Mandel, exec. committee chairman; Robert Warren, vice chairman; William M. Hamilton, president; Philip S. Sims, exec. v.p. & treasurer; Bruce W. Johnson, exec. v.p.; Denis A. Moore, sr. v.p.; Grant C. Grinnell, v.p. & secretary; J. Robert McCabe, v.p.; Denis M. Bohm, v.p.; David R. Eva, v.p.; William H. Barnes, v.p.; Phillip Vander Pol, v.p. & controller; Michael D. James, v.p.; William D. Coole, v.p.; James D. Spotz, v.p..

Directors: John C. Colman, Jack N. Mandel, Joseph C. Mandel, Morton L. Mandel, Hugh Calkins, Robert Warren, Scott S. Cowen, William M. Hamilton.

Areas of Work: Broad line distributor of electronic components used in the production and maintenance of equipment, a supplier of maintenance products for industrial, commercial and institutional applications, and a manufacturer of high-performance fire-fighting accessories.

Divisions and Subsidiaries:

Electronics Distribution Group

Newark Electronics
4801 North Ravenswood
Chicago, Illinois 60640
(312) 784-5100
Electronic components and equipment including semiconductors, integrated conductors, integrated circuits, switches, relays, test and sound equipment, capacitors, resistors and connectors.

Cadillac Electric
20700 Hubbell Avenue
Oak Park, Michigan 48237
(313) 967-1221
Electrical items including wire and cable, roughing-in materials, motor controls, distribution equipment, lamps, fuses, wiring devices and other electrical maintenance products.

Hoffman Products
170 Allen Boulevard
Farmingdale, New York 11735
(516) 293-5244
National supplier of electrical and related products.

Car-lac Electronics
75 Orville Drive
Bohemia, New York 11716
(516) 567-4200
Electronic interconnection devices and associated hardware.

MCM Electronics
858 E. Congress Park Drive
Centerville, Ohio 45459
(513) 434-0031
Electronic components and equipment for the installation and repair of consumer and commercial equipment.

Brooks Technology
3304 East 87th Street
Cleveland, Ohio 44127
(216) 641-5100
Industrial and specialty greases, open gear lubricants, gear oils, corrosion preventives, cutting and grinding fluids, wire rope lubricants, roll oils, and drawing and forging compounds.

C-T Engineering
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Heavy-duty fasteners, special hardware and parts for construction transportation equipment.

Certanium Alloys and Research
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Special welding electrodes, brazing alloys, fluxes, solders, and welding aids.

Premier Fastener
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
High performance cap screws, nuts, washers, screws, specialty fasteners and industrial shop supplies.

Premier Autoware
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Replacement parts for cars and trucks, including special hardware and shop supplies.

J.I. Holcomb
1051 W. Liberty St.
Wooster, Ohio 44691
(216) 264-6262
Cleaners, disinfectants, degreasers and protective coatings for industrial, commercial, and institutional applications. Insecticides, floor conditioners and floor maintenance products.

Kent Industries
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Adhesives, cements, sealants, caulks, cleaners and related application equipment for the automotive and marine industries.

Rotanium Products
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Electrical systems components and other specialty products such as industrial lamps, terminals, connectors, fittings, clamps and building hardware.

TPC Wire & Cable
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-0067
Extra heavy-duty electrical cord, cable and associated devices.

D-A Lubricant Company, Inc.
1340 West 29th Street
Indianapolis, Indiana 46208
(317) 923-5321
Engine oils and greases for heavy-duty diesel driven equipment.

Maintenance, Inc.
1051 West Liberty Street
Wooster, Ohio 44691
(216) 264-6262
Coatings to protect and color off-street asphalt and concrete pavements and recreational areas.

Fire-Fighting Products Group

Akron Brass Co.
Spruce Street
P.O. Box 86
Wooster, Ohio 44691
(216) 264-5100
Fire-fighting components including nozzles, hose couplings, valves and specialized fire-fighting equipment.

Western Fire Equipment Co.
100 Produce Lane
Suite H
So. San Francisco, California 94080
(415) 467-5650
Specialized products for the forestry and municipal fire-fighting markets.

Transfer Agent(s):

National City Bank
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: PRE

Number of Employees:

1989	4,800	1986	N.A.
1988	4,300	1985	3,500
1987	N.A.		

Plant Footage:

1989	2,258,300 sq. ft.	1986	N.A.
1988	2,215,990	1985	2,260,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Oper. Revenues	Net Income
1989	$ 596,146,000	$ 69,704,000
1988	528,159,000	64,029,000
1987	459,000,000	48,280,000
1986	435,040,000	41,377,000
1985	432,256,000	38,505,000

	No. of Shares ‡	Earn. per Share ‡
1989	41,111,403	$ 1.70
1988	43,653,606	1.47
1987	44,490,765	1.09
1986	44,443,719	0.93
1985	44,254,707	0.87

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1989	1988
Electronics distribution	$ 377,497,000	$ 218,649,000
General products	327,067,000	201,092,000
Total	$ 596,146,000	$ 528,159,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.440	—	—
1988	0.347	—	
1987	0.280	—	—
1986	0.253	—	—
1985	0.231	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 212,434,000	$ 5.17
1988	289,026,000	6.62
1987	266,888,000	6.00
1986	239,622,000	5.39
1985	205,416,000	4.64

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended May 31	1989	1988
Oper. revenues	$ 596,146,000	$ 528,159,000
Other income	6,195,000	7,777,000
Total revenues	$ 602,341,000	$ 535,936,000
Cost of sales	310,443,000	276,934,000
Expenses	174,031,000	149,647,000
Income taxes	5,663,000	5,549,000
Depreciation & amortization	7,169,000	5,712,000
Interest expense	248,000	156,000
Income before taxes	$ 104,787,000	$ 97,938,000
Income taxes	35,083,000	33,909,000
Net Income	$ 69,704,000	$ 64,029,000

Assets

As of May 31	1989	1988
Cash	$ 33,230,000	$ 130,188,000
Receiv., net	85,961,000	78,309,000
*Inventories	89,276,000	79,008,000
Prepaid expenses	6,158,000	5,195,000
Current Assets	$ 214,625,000	$ 292,700,000
#Fixed assets	41,584,000	35,373,000
Other assets	21,624,000	26,744,000
Total Assets	$ 277,833,000	$ 354,817,000

Liabilities

Long-term debt, curr.	$ 58,000	$ 124,000
Payables	21,483,000	20,520,000
Accruals	21,267,000	20,319,000
Income taxes	2,818,000	1,556,000
Curr. Liabilities	$ 45,626,000	$ 42,519,000
Deferred inc. taxes	13,270,000	16,711,000
Long-term debt	6,503,000	6,561,000
+ Common stock	39,365,000	43,903,000
Add. paid-in capital	506,000	—
Retained earnings	186,673,000	270,241,000
Foreign currency translation	269,000	853,000
Treasury stock	(14,379,000)	(25,971,000)
Total Liabilities & Shareholders' Equity	$ 277,833,000	$ 354,817,000

* At lower of cost (FIFO or LIFO) or market.
# Less accumulated depreciation.
+ No par value in 1989; $1 par in 1988.

Statistical Summary

%Income bef. Taxes to Revenues	17.58	18.27
%Net Income to Revenues	11.69	11.95
%Net Income to Equity	32.81	22.15
Debt to Equity	0.03	0.02
Working Capital	$ 168,999,000	$ 250,181,000
Current Ratio	4.70	6.88
Shareholders' Equity	$ 212,434,000	$ 289,026,000

Prime Computer, Inc.

Prime Park
Natick, Massachusetts 01760
(508) 655-8000
FAX: EXT. 5090

Officers: David J. Dunn, chairman of the board; Anthony L. Craig, president & chief executive officer; David J. Collard, corp,. v.p.-customer service; Richard L. Ballantyne, corp. v.p., general counsel & secretary; Richard B. Goldman, corp. v.p., finance & chief financial officer; Richard L. Buckingham, v.p.-treasurer; Michael H. Forster, corp. v.p. & pres.-Americas; Vladimir P. Geisberg, v.p.-CAD/CAM product development; Victor F Larkin, v.p.-business management; Robert A. Fischer, corp. v.p.-Marketing & Business Development; Leonard F. Halio, v.p.-commercial systems group; Richard B. Snyder, corp. v.p.-engineering; Lawrence M. Bornstein, corp. v.p.-human resources; Cornelius P. McMullan, v.p. & general manager-Asia/Pacific operations; Thomas M. Palka, v.p.-Americas Eastern operations; Joseph F. Pesce, Jr., vice president & controller; William F. O'Neill, Jr., v.p.-planning and engineering operations; Kathleen A. Cote, corp. v.p.-manufacturing; Thomas F. Pine, v.p.-product line marketing; Kenneth R. Roy, v.p.-central engineering; Florence K. Demma, asst. secretary.

Directors: David J. Dunn*, chairman; Frank P. Brunetta, John S. Dulaney*, Harold A. Strickland, Jr., Anthony L. Craig, John E. Sheehan, John E. Nolan, Jr..

* Member of the Executive Committee

Areas of Work: Designs, develops,manufactures, sells,-licenses, and services computer systems, workstations and software primarily for commercial and CAD/CAM applications for the end-user market.

Subsidiaries:

Prime Computer (U.K.) Limited (United Kingdom)
Prime Computer GmbH (West Germany)
Prime Informatique, S.A. (France)
Prime Computer Scandinavia AB
Prime Computer International Sales Corporation

Computervision Corporation
100 Crosby Drive
Bedford, Massachusetts 01730
(617) 275-1800
Designs, manufactures, distributes and services, computer-based interactive graphics systems used largely for computer-aided-engineering design and manufacturing (CAE/CAD/CAM) applications.

Versacad Corporation
Huntington Beach, California
Supplies computer-aided-design software for personal computers and workstations.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: PRM

Number of Employees:

1988	12,386	1985	8,115
1987	8,818	1984	7,348
1986	8,621		

Plant Footage:

1988	......2,953,000 sq. ft.	1986	1,486,000
1987	1,486,000		

Sales & Earnings

	Revenue	Net Income
1988	$ 1,594,558,000	$ 18,984,000
1987	960,913,000	64,768,000
1986	860,173,000	46,925,000
1985	769,673,000	57,782,000
1984	642,779,000	59,712,000

	No. of Com. Shares +	Earn. per Share +
1988	48,454,000	$ 0.39
1987	48,991,000	1.32
1986	48,413,000	0.97
1985	48,160,714	1.20
1984	47,910,678	1.25

+ Based on the weight average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 541,668,000	$ 11.18
1987	503,836,000	10.28
1986	437,830,000	9.04
1985	383,302,000	7.96
1984	325,002,000	6.78

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1988	1987
Product revenue	$ 1,035,854,000	$ 642,181,000
Service & other revenue	558,704,000	318,732,000
Total revenue	$ 1,594,558,000	$ 960,913,000

Cost of revenue	810,213,000	448,159,000
Expenses	494,916,000	320,897,000
Prod. devel. & eng.	174,273,000	109,691,000
Non-recurring charges	58,150,000	—
Interest income	(23,698,000)	(43,377,000)
Interest expense	55,028,000	35,187,000
Other expense	7,900,000	3,999,000
Income before taxes	$ 17,776,000	$ 86,357,000
Income taxes	4,799,000	21,589,000
Cum. effect of acct. change	(6,007,000)	—
Net Income	$ 18,984,000	$ 64,768,000

• Included in Costs and Expenses, Depreciation and Amortization: $161,780,000 in 1988 and $80,782,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 107,677,000	$ 490,173,000
Accts. receiv., net	431,129,000	250,775,000
Lease receivable	69,363,000	66,128,000
•Inventories	147,648,000	87,252,000
Prepaid exp. & other curr. assets	52,511,000	29,644,000
Current Assets	$ 808,328,000	$ 923,972,000
#Fixed assets	372,621,000	255,927,000
Lease receivable	113,053,000	117,316,000
Goodwill	281,815,000	—
Other assets	75,110,000	37,363,000
Total Assets	$ 1,650,927,000	$ 1,334,578,000

Liabilities

Notes payable & long-term debt. curr.	$ 75,744,000	$ 58,025,000
Accts. payable	102,493,000	56,101,000
Accrued compensation	109,865,000	48,470,000
Def. revenue & cust. adv.	38,445,000	13,643,000
Accrued & def. inc. taxes	8,528,000	12,439,000
Other curr. liab.	110,629,000	46,977,000
Curr. Liabilities	$ 445,704,000	$ 235,655,000
Long-term debt	107,938,000	118,473,000
Deferred inc. taxes	91,863,000	101,614,000
Convert. subord. deben.	453,270,000	375,000,000
Deferred gain	10,484,000	--
+ Common stock	618,000	614,000
Add. paid-in capital	130,321,000	119,797,000
Retained earnings	423,563,000	404,579,000
Cumulative translation adjustment	(6,649,000)	(2,962,000)
Treasury stock	(6,185,000)	(18,192,000)
Total Liabilities & Shareholders' Equity	$ 1,650,927,000	$ 1,334,578,000

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.0125 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.11	8.99
%Net Income to Sales	1.19	6.74
%Net Income to Equity	3.50	12.85
Debt to Equity	0.34	0.35
Working Capital	$ 362,624,000	$ 688,317,000
Current Ratio	1.81	3.92
Shareholders' Equity	$ 541,668,000	$ 503,836,000

Quantronix Corporation

49 Wireless Boulevard
Smithtown, New York 11787
(516) 273-6900
FAX: (516) 273-6958

Officers: Donald Mitchell, president & chief executive officer; Vincent L. Mooney, treasurer & chief financial officer; Sydney Meistrich, v.p.-mfg. and secretary; William I. Kern, v.p.-marketing; Martin G. Cohen, v.p.-research & development; Roy H. Tanner, v.p.-engineering.

Directors: Sydney Meistrich, Donald Mitchell, Alan J. Patricof, Harold Rapaport, Elliot Levine.

Areas of Work: Engaged in a single line of business: manufacturing electro-optic devices and systems, principally involving the use of a laser component, and end-products by such devices. Company products consist of a catalogue line of lasers, laser components and laser accessories; a defect repair system for repair of photomasks used in semiconductor manufacture; scientific lasers and medical lasers.

Subsidiaries:

Quantronix, GmbH
Gross-Gerauer Weg 55
D-6100 Darmstadt, West Germany

Quantronix International (FSC)

The Optical Corporation
Oxnard, California
Manufactures precision optical components and subassemblies.

Control Laser International Corporation
7503 Chancellor Drive
Orlando, Florida 32809
(305) 438-2500
Engaged in the development, manufacture and marketing of high-powered industrial and medical laser systems and components.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QUAN (NASDAQ)

Number of Employees:

1989	287	1986	188
1988	196	1985	203
1987	174		

Plant Footage:

1989	120,000 sq. ft.	1986	44,000
1988	120,000	1985	44,000
1987	85,000		

Sales & Earnings

	Net Sales †	Net Income ‡
1990	$ 31,746,733	$ (1,361,004)
1989	27,943,802	1,035,243
1988	18,510,540	(1,228,429)
1987	20,290,458	2,288,380
1986	18,869,755	1,394,129

	No. of Com. Shares #	Earn. per Share ‡ #
1990	3,796,000	$ —
1989	3,662,000	0.28
1988	3,165,000	—
1987	3,244,000	0.71
1986	3,162,000	0.48

(Loss)
† Includes services.
‡ Including extraordinary gain of $92,000 ($0.02 per share) in 1989.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 16,124,389 #	$ 4.25
1989	17,451,800 #	4.77
1988	11,942,932	3.77
1987	13,264,766	4.09
1986	7,068,869	2.24

After allowing for preferred stock at par value.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account •

Year ended March 31	1990	1989
Net sales & services	$ 31,746,733	$ 27,943,802
Cost of sales & services	20,107,513	16,339,061
Expenses	12,664,905	9,202,835
Interest expense	1,218,779	732,258
Other income	(90,791)	(50,366)
Loss on market. secur.	11,203	243,771
Litigation settlement	285,128	—
Income (loss) bef. taxes	$ (2,450,004)	$ 1,476,243
Income taxes (credit)	(1,089,000)	533,000
Net Income (Loss)	$ (1,361,004)	$ 943,243
Extraord. gain	—	92,000
Net Income (Loss) & extraord. gain	$ (1,361,004)	$ 1,035,243

• Included in Costs and Expenses, Depreciation and Amortization: $1,938,877 in 1990 and $1,562,335 in 1989.

Assets

As of March 31	1990	1989
Cash	$ 373,896	$ 606,788
Marketable securities	—	733,020
Prepaid income taxes	1,451,985	79,451
Accts. receiv., net	6,552,202	7,809,714
•Inventories	10,564,942	10,906,032
Def. inc. taxes	442,700	469,000
Other curr. assets	398,752	556,719
Current Assets	$ 19,784,477	$ 21,160,724
#Fixed assets	8,917,252	9,133,351
Cost in exc. of assets acq.	5,585,037	5,136,066
Other assets	1,119,521	788,999
Total Assets	$ 35,406,287	$ 36,219,140

Liabilities

Long-term debt, curr.	$ 1,198,329	$ 884,831
Accts. payable	2,865,760	2,988,225
Accruals & other liab.	3,047,249	3,206,686
Bank loans payable	312,655	308,558
Inc. taxes payable	99,643	151,432
Curr. Liabilities	$ 7,523,636	$ 7,539,732

Long-term debt	11,277,162	10,816,508
Def. inc. taxes payable	479,700	409,700
+Preferred stock	1,400	1,400
+Common stock	38,136	37,802
Add. paid-in capital	13,277,972	13,087,551
Ret. earnings	3,015,725	4,561,792
Note receiv. - sale of stock	(207,444)	(235,345)
Total Liabilities & Shareholders' Equity	$ 35,406,287	$ 36,219,140

* At lower of average cost of market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.28
%Net Income to Sales	—	3.02
%Net Income to Equity	—	4.83
Debt to Equity	0.79	0.69
Working Capital	$ 12,260,841	$ 13,620,992
Current Ratio	2.63	2.81
Shareholders' Equity	$ 16,125,789	$ 17,453,200

Racal Electronics Plc

Western Road
Bracknell, Berkshire RG12 1RG, England
(0344) 481222
FAX: (0344) 54119

Directors: Sir Ernest Harrison, chairman & chief executive; D. C. Elsbury, deputy chief executive; Sir Edward Ashmore, B. J. Clarke, J. E. Coates, P. G. Crossland, J. E. Diggins, G. J. Lomer, D. J. Peacock, M. R. Richardson, D. A. Webb, G. A. Whent, D. Whittaker, secretary; R. V. Holley.

Areas of Work: In the area of Data Communications, the Company provides corporate data networks, data communications equipment and systems, data encryption equipment, digital communications for voice and data, local area communications, network management, image processing systems, and turnkey data networks.

In the area of Radio Communications, the Company provides communications electronic warfare of Radio Communications, the Company provides communications electronic warfare systems, communications simulation and training, communications security, satellite communications, tactical trunk communications, military tactical communications for land, sea and air, paramilitary, police and special forces communications, and strategic radio systems: fixed, mobile and transportable.

In the area of Marine and Energy Electronics, the Company provides marine radars and navigation equipment, integrated naval and ship electronic systems, mine countermeasures support, marine measurement and control systems, marine communications, marine distress and safety equipment, marine simulation and training, marine service, precise positioning systems, satellite and terrestrial radio navigation systems, and survey and positioning services.

In the area of Defense Radar and Avionics, the Company provides avionics management systems, ground movement radar, low level air defense surveillance radars, naval and land based command information systems, navigation computers and sensors, non-communications electronic warfare systems, and microwave components and sub-systems.

In the area of Telecommunications, the Company provides cellular radio network operations, data transmission over cellular radio networks, digital cellular radio systems, value added network services, mobile and hand-portable cellular telephones, private mobile radio, and radiopaging.

In the area of Security, the Company provides building locks and hardware, data security and payment terminal systems, fire detection and extinguishing equipment, intruder alarms and monitoring systems, integrated security and access control systems, safes, strongrooms and fire resistant cabinets.

Specialized Business Activities include Acoustics, whose product range for both military and civil communication markets consists of transducers, microphones, handsets, headsets, protective communication helmets, field telephones, intercom systems, and on-board audio management systems for trains and aircraft; Health & Safety, whose products include the Classic range of hearing protectors, the ultra-lightweight Jupiter anti-dust helmet, a Dual-Air protection system and the Zephyr powered respirator for dentists; Microelectronics & Information Displays, which includes specific integrated circuits and other customized devices and liquid crystal information display systems; Customer Training & Education; Electronic Design Automation, which includes computer-aided engineering/computer-aided design for electronics industries and software systems for computers; Intruder alarm sensors; Automated Test and Repair services; Antennas; and advanced Instrumentation.

Subsidiaries (United Kingdom):

Decca Limited
Ablex Audio Video Limited
Decca Radio and Television Limited
Decca Survey Overseas Limited
Fibre Form Limited
Racal-Decca Limited

Racal Avionics Limited
Racal-Decca Advanced Development Limited
Racal-Decca Marine Navigation Limited
Racal Defence Radar Limited
Racal Defence Electronics (Radar) Limited
Racal Defence Radar and Displays Limited
Racal Radar Defence Systems Limited
Racal Marine Electronics Limited
Racal Marine Group Limited
Racal Marine Systems Limited
Racal-MESL Limited (Scotland)
Racal Survey Limited
Racal Survey China Limited
Racal Survey (UK) Limited
Racal-Decca Service Limited
Weyrad (Electronics) Limited

Racal-Chubb Limited
Albert Marston & Company Limited
Chubb & Son's Lock and Safe Company Limited
Chubb Security Installations Limited
Chubb Alarms Limited
Chubb Wardens Limited
Chubb Fire Limited
Racal Panorama Limited
Chubb International Limited
Chubb (N.I.) Limited (Northern Ireland)
C.E. Marshall (Wolverhampton) Limited
Josiah Parkes & Sons Limited
Racal-Chubb Data Security Limited
Racal-Guardata Limited
Racal-Transcom Limited
Racal-Chubb Secuirty Systems Limited
Union Locks Limited
L & F Willenhall Limited
Racal-Acoustics Limited
Racal Antennas Limited
Racal Automation Limited
Racal Communications Limited
Racal Communications Systems Limited
Racal-Comsec Limited
Racal Engineering Limited
Racal Finance Limited
Racal Group Services Limited
Racal-Guardall (Scotland) Limited (Scotland)
Racal-Guardall (Sales) Limited
Racal Information Technology Developments Limited
Racal Instrumentation Limited
Racal-Dana Instruments Limited
Racal Recorders Limited
Racal International Limited
Racal Microelectronic Systems Limited
Racal-Milgo Limited
Racal Oil and Gas Limited
Racal Properties Limited
Racal-Redac UK Limited
Racal Research Limited
Racal Safety Limited
Racal-Tacticom Limited
British Communications Corporation Limited
Racal-Tacticom Limited
Racal-Tacticom Systems Limited
Racal-Vodac Limited
Racal-Vodafone Limited
Racal-Vodacom Limited
Racal-Vodapage Limited
Racal-Vodata Limited
Racal Training Services Limited

Subsidiaries (North America):

The Racal Corporation
122 East 42nd Street
New York, New York 10168
(212) 661-2926

North American Corporate Headquarters:

The Racal Corporation
1800 Corporate Boulevard, NW
Boca Raton, Florida 33431
(305) 997-9554

DATA COMMUNICATIONS:

Racal-Milgo
1601 N. Harrison Parkway
Sunrise, Florida 33323
(305) 475-1601

Racal-Vadic
1525 McCarthy Boulevard
Milpitas, California 95035
(408) 432-8008

SPECIALIZED ELECTRONICS

Racal-Dana Instruments, Inc.
4 Goodyear Street
Irvine, California 92718
(714) 859-8999

Racal Recorders, Inc.
4 Goodyear Street
Irvine, California 92718
(714) 380-0900

Racal-Redac, Inc.
Westford, Massachusetts 01886
(617) 692-4900

AVIONICS and MARINE ELECTRONICS

Racal Avionics, Inc.
8851 Monard Drive
Silver Spring, Maryland 20910
(301) 495-6695

Racal-Decca Canada Ltd.
1290 Aimco Boulevard
Mississauga, Ontario L4W 1B2 Canada
(416) 629-3099

Racal Marine Inc.
70 Jackson Drive
Cranford, New Jersey 07016
(201) 272-4222

Racal Survey, Inc.
4281 Dacoma
Houston, Texas 77092
(713) 691-2363

DEFENSE ELECTRONICS

Racal Communications, Inc.
5 Research Place
Rockville, Maryland 20850
(301) 948-4420

Racal (Canada) Inc.
1806 Woodward Drive
Ottawa, Ontario K2C OP7 Canada
(613) 225-4640

HEALTH and SAFETY

Racal Airstream, Inc.
7309A Grove Road
Frederick, Maryland 21701
(301) 695-8200

SECURITY

Racal-Chubb Canada Inc.
5201 Explorer Drive
Mississauga, Ontario L4W 4H1 Canada
(416) 629-2600

Racal-Chubb Security Systems, Inc.
5025 Burnet Road
Austin, Texas 78756
(512) 458-8104

Racal-Guardall, Inc.
7309 Grove Road
Frederick, Maryland 21701
(301) 695-8010

Racal-Guardata, Inc.
606 East Chapman Avenue
Orange, California 92666
(714) 771-7250

ACS Communications Systems, Inc.
1820 Michael Faraday Drive
Reston, Virginia 22090
(703) 471-0892

National Foam Systems, Inc.
150 Gordon Drive
Lionville, Pennsylvania 19353
(215) 363-1400

Transfer Agent(s):

Barclay Registrars Limited
6 Greencoat Place
London SW1P 1PL England

Stock Exchange(s): London

Number of Employees:

1989	33,702	1987	32,418
1988	31,910	1986	32,545

Sales & Earnings

		Net Sales (000's)		Net Income † (000's)
1989	£	1,589,393	£	116,915
1988		1,366,790		88,492
1987		1,290,847		64,448
1986		1,266,331		61,042
1985		1,106,971		85,669

	No. of Com. Shares ‡	Earn per Shares † ‡
1989	633,817,067	18.45p
1988	625,648,119	14.14
1987	572,009,998	11.27
1986	570,733,214	10.70

† Before extraordinary items.
£ - pound sterling
† Before extraordinary items.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

		1989		1988
Telecommunications	£	241,711	£	140,388
Security		527,824		424,223
Data communications		286,060		257,474
Data networks		119		—
Defense radar & avionics		126,231		136,693
Marine & energy		105,686		97,271
Radio communications		111,817		113,442
Specialized businesses		189,945		197,299
Total	£	1,589,393	£	1,366,790

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	6.08p	—	—
1988	4.46	—	
1987	3.31	—	—
1986	3.04	—	—

Common Stock Equity

		Total Equity † (000's)	Equity Per Share ‡
1989	£	765,777	120.82p
1988		456,781	73.01
1987		447,142	78.17
1986		429,412	75.24
1985		431,497	—

† Net of intangible fixed assets
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended Mar. 31		1989		1988
Turnover	£	1,589,393	£	1,366,790
Cost of sales		1,028,220		880,842
Selling & distr. exp.		226,483		194,492
Administrative exp.		156,965		135,264
Share of loss (inc.) of assoc. cos.		939		(1,195)
Exceptional items		(14,779)		(4,025)
Interest expense		40,328		34,199
Interest income		(26,700)		(10,825)
Income bef. taxes	£	177,937	£	138,038
Income taxes		51,949		48,478
Minority interest		9,073		1,068
Net Income	£	116,915	£	88,492
Extraord. items		279,704		(340)
Net Income & extraord. items	£	396,619	£	88,152

* Included in Costs and Expenses, Depreciation: £ 75,789,000 in 1989 and £ 61,973,000 in 1988.

Assets
(000's)

As of Mar. 31		1989		1988
Cash	£	54,886	£	66,384
*Stocks		351,790		305,867
Debtors		579,548		506,677
Investments		1,299		329
Deposits		189,405		69,943
Currents Assets	£	1,176,928	£	949,200
Investments		7,812		5,525
#Fixed assets		511,594		379,482
Intangibles		1,200		1,952
Total Assets	£	1,697,534	£	1,336,159

Liabilities
(000's)

Long-term debt, curr.	£	12,423	£	7,958
Short-term borrowings		216,100		190,869
Accts. payable		178,322		152,288
Amts. owed to assoc. cos.		4,841		6,580
Accruals		125,595		109,121
Deferred purch. agree.		508		1,671
Proposed dividend		29,171		21,112
Advance receipts		29,817		32,982
Corporation taxes		73,271		51,368
Finance lease oblig.		3,614		—
Other taxes		28,637		26,781
Other creditors		26,776		19,295
Curr. Liabilities	£	729,075	£	620,025
Long-term debt		110,383		205,073
Other liabilties		24,217		24,311
Deferred taxes		23,865		23,378
Minority interest		43,017		4,639
+Common stock		160,083		156,540
Add. paid-in capital		178,661		162,003
Revaluation reserve		2,617		3,832
Profit and loss account		425,616		136,358
Total Liabilites & Shareholders' Equity	£	1,697,534	£	1,336,159

* At lower of cost and estimated net relizable value.
# Less accumulated depreciation.
+ 25p par value.

Statistical Summary

	1989	1988
%Income bef. taxes to Sales	11.20	10.10
%Net Income to Sales	7.36	6.47
%Net Income to Equity	15.24	19.29
Sales to Inventories	4.52	4.47
Debt to Equity	0.44	0.88
Working Capital	£ 447,853,000	£ 329,175,000
Current Ratio	1.61	1.53
Shareholders' Equity	£ 766,977,000	£ 458,733,000

Radiation Systems, Inc.

1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680
FAX: (703) 450-4706

Officers: Richard E. Thomas, chairman of the board, chief exec. officer & treasurer; Harold Gruen, president & chief operating officer; Junius H. Arnold, Jr., sr. v.p.; Mark D. Funston, v.p. & chief financial officer; Harold Aryai Siegel, v.p.; R. Doss McComas, v.p. & general counsel; Richard W. Patton, v.p.; Yari V. Vondrich, v.p.; Marvin D. Shoemake, v.p., & president of SatCom Technologies; Anita M. Stutzman, secretary.

Directors: Richard E. Thomas, chairman; Lee M. Paschall, Irvin G. Ray, John D. Sanders, Harold Gruen.

Areas of Work: Designs, manufactures and installs high-technology antenna products for the military, air traffic control, satellite and point-to-point communications markets.

Divisions:

Universal Antennas
900 Alpha Drive
Richardson, Texas 75081
(214) 644-6322

SatCom Technologies
4825 River Green Parkway
Duluth, Georgia 30136
(404) 497-8800

Mark Antennas
2180 S. Wolf Road
Des Plaines, Illinois 60018
(312) 298-9420

Mexia Fabricators, Inc.
1004 North Avenue A
P.O. Box 458
Wortham, Texas 76693
(817) 765-3304

Technical Products
1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680

Electromechanical Systems
6200 118th Avenue, North
Largo, Florida 34643
(813) 541-6681

Radiation Systems, Inc.

Transfer Agent(s):

The Riggs National Bank of Washington, D.C.
1120 Vermont Avenue
Washington, Washington D.C. 20005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RADS (NASDAQ)

Number of Employees:

1989	529	1986	472
1988	400	1985	413
1987	421		

Plant Footage:

1989	385,000 sq. ft.	1986	387,000
1988	338,000	1985	344,000
1987	319,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 54,914,000	$ 3,317,000
1988	44,327,000	4,045,000
1987	43,812,000	3,115,000
1986	47,508,000	4,199,000
1985	33,488,000	3,169,000

	No. of Com. Shares	Earn. per Share †
1989	5,415,000	$ 0.63
1988	4,915,000	0.79
1987	5,561,000	0.56
1986	5,586,000	0.87
1985	4,562,000	0.70

† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Commercial satellite comm.	$ 12,700	23 %	$ 15,000	34 %
Tactical military	11,000	20	8,700	20
Terrestrial microwave	9,400	17	8,600	19
Scientific/special applic.	7,700	14	6,300	14
Radar/navigation aids	14,100	26	5,700	13
Total	$ 54,900	100 %	$ 44,300	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 52,107,000	$ 9.62
1988	49,068,000	9.98
1987	51,051,000	9.18
1986	48,180,000	8.63
1985	30,433,000	6.67

Income Account*

Year ended June 30	1989	1988
Net sales	$ 54,914,000	$ 44,327,000
Other income	889,000	917,000
Total income	$ 55,803,000	$ 45,244,000
Cost of sales	41,144,000	32,369,000
Expenses	9,032,000	8,564,000
Interest expense	312,000	243,000
Income before taxes	$ 5,315,000	$ 4,068,000
Income taxes	1,998,000	23,000
Net Income	$ 3,317,000	$ 4,045,000

* Included in Costs and Expenses, Depreciation: $1,945,000 in 1989 and $1,543,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 5,592,000	$ 5,241,000
Short-term invest.	5,930,000	8,406,000
Accts. receiv., net	11,901,000	12,412,000
Unbilled costs & accrued profits	20,460,000	12,120,000
Refundable taxes	1,002,000	—
*Inventories	10,675,000	9,691,000
Other current assets	435,000	467,000
Current Assets	$ 55,995,000	$ 48,337,000
#Fixed assets	14,768,000	10,764,000
Other assets	4,757,000	4,039,000
Total Assets	$ 75,520,000	$ 63,140,000

Liabilities

	1989	1988
Long-term debt, curr.	$ 1,203,000	$ 1,162,000
ESOP debt, curr.	420,000	—
Accts payable	6,600,000	4,332,000
Accrued payroll	1,695,000	1,549,000
Income taxes payable	—	233,000
Deferred inc. taxes	3,155,000	2,643,000
Other curr. liabilities	869,000	736,000
Curr. liabilities	$ 13,942,000	$ 10,655,000
Long-term debt	2,661,000	1,936,000
Other liabilities	1,190,000	—
Deferred inc. taxes	1,738,000	1,481,000
ESOP debt	3,882,000	—
+ Common stock	5,656,000	5,656,000
Add. paid-in capital	22,153,000	22,112,000
Retained earnings	30,599,000	27,799,000
Treasury stock	(1,999,000)	(6,499,000)
Debt guarantee for ESOP	(4,302,000)	—
Total Liabilities & Shareholders' Equity	$ 75,520,000	$ 63,140,000

* At lower of cost (FIFO) or market.
# Less accumuated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	9.68	9.18
% Net Income to Sales	6.04	9.13
% Net Income to Equity	6.37	8.24
Sales to Inventories	5.14	4.57
Debt to Equity	0.16	0.06
Working Capital	$ 42,053,000	$ 37,682,000
Current Ratio	4.02	4.54
Shareholders' Equity	$ 52,107,000	$ 49,068,000

Radio Frequency Company, Inc.

150 Dover Road
Millis, Massachusetts 02054
(617) 762-4900
FAX: (617) 762-4952

Officers: Melvyn H. Harris, chairma., of the board & treasurer; Thomas W. James, president & chief exec. officer; Wallace J. Ross, v.p.; Ruth Y. Manwaring, clerk.

Directors: Norman Barlow, Ruth Y. Manwaring, A. Lee MacPhail, Robert L. Warren, Jr., Melvyn H. Harris, Rosamond B. Andrews, Thomas W. James.

Areas of Work: Designs, manufactures and sells high technology, high precision heat processing systems for the industrial market.

Acquisition:

LaRose Associates, Inc.

Transfer Agent(s):

Boston Safe Deposit & Trust
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Revenues	Net Income
1990	$ 5,475,443	$ 594,691
1989	3,781,672	568,325
1988	1,677,813	(295,104)
1987	2,249,622	155,157
1986	2,716,315	254,730

	No. of Com. Shares +	Earn. per Share #
1990	903,863	$ 0.66
1989	897,792	0.63
1988	897,792	—
1987	897,792	0.17
1986	897,792	0.28

(Loss)
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.15	—	—
1989	0.14	—	
1988	0.14	—	—
1987	0.14	—	—
1986	0.13	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 2,917,744	$ 3.23
1989	2,435,866	2.71
1988	1,993,232	2.22
1987	2,409,538	2.68
1986	2,369,754	2.64

‡ Adjusted to reflect stock split.

Income Account *

Year ended Mar. 31	1990	1989
Revenues	$ 5,562,417	$ 3,863,915
Cost of sales	3,389,080	2,212,941
Expenses	1,257,224	804,247
Interest income	(77,335)	(57,314)
Income before taxes	$ 993,448	$ 904,041
Income taxes	398,757	335,716
Net Income	$ 594,691	$ 568,325

* Included in Costs and Expenses, Depreciation: $135,020 in 1990 and $120,790 in 1989.

Assets

As of March 31	1990	1989
Cash	$ 230,534	$ 1,006,363
Accts. receiv., net	945,276	671,178
*Inventories	1,898,676	899,946
Prepaid expenses	90,095	61,560
Current Assets	$ 3,164,581	$ 2,639,047
#Fixed assets	936,469	762,206
Total Assets	$ 4,101,050	$ 3,401,253

Liabilities

	1990	1989
Accts. payable	$ 299,125	$ 103,988
Accrued inc. taxes	103,168	392,000
Other accruals	461,930	240,425
Customer deposits	296,119	192,574
Curr. Liabilities	$ 1,160,342	$ 928,987

Deferred inc. taxes	22,964	36,400
+Common stock	1,028,968	1,028,968
Add. paid-in capital	375,830	361,192
Retained earnings	1,903,489	1,444,377
Treasury stock	(320,543)	(328,671)
Demand note receiv.-officer	(70,000)	(70,000)
Total Liabilities & Shareholders' Equity	$ 4,101,050	$ 3,401,253

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.86	23.91
%Net Income to Sales	10.69	15.03
%Net Income to Equity	20.38	23.33
Sales to Inventories	2.93	0.24
Working Capital	$ 2,004,239	$ 1,710,060
Current Ratio	2.73	2.84
Shareholders' Equity	$ 2,917,744	$ 2,435,866

Ragen Corporation

9 Porete Avenue
North Arlington, New Jersey 07032
(201) 997-1000
FAX: (201) 997-6948

Officers: I.L. Lopata, chairman of the board; Eugene E. Lopata, president; Alexander C. Tomkins, Jr., secretary & treasurer; Arnold Herman, v.p.-planning; Jay W. Gardner, controller.

Directors: I.L. Lopata, chairman; Eugene E. Lopata, A.C. Tomkins, Jr., Bohdan J. Kekish, Paul A. Fund, Frank Fitzsimmons.

Areas of Work: Manufactures precision mechanical components for the business equipment, automotive and nuclear industries; and manufactures and leases proprietary products and systems for government and industry.

Subsidiaries:

Ragen Systems, Inc.
North Arlington, New Jersey

Ragen Precision, Inc.
North Arlington, New Jersey

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RAGN (NASDAQ)

Number of Employees:

1989	115	1986	460
1988	132	1985	517
1987	407		

Plant Footage:

1989	60,000 sq. ft.	1986	180,000
1988	60,000	1985	187,000
1987	137,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 7,750,000	$ (1,831,000)
1988	8,428,000	(1,751,000)
1987	12,826,000	(4,619,000)
1986	14,061,000	(840,000)
1985	16,310,000	(689,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	4,881,000	$ —
1988	4,880,000	—
1987	4,873,000	—
1986	4,851,000	—
1985	4,810,000	—

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Precision mech. components:		
Business syst. components	$ —	$ 673,000
Automotive components	143,000	588,000
Nuclear energy components	4,309,000	3,642,000
Gov't. & military components	361,000	854,000
Proprietary syst. & equip.:		
Elec. insertion assembly syst.	1,523,000	1,261,000
All other	1,414,000	1,410,000
Total	$ 7,750,000	$ 8,428,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,624,000	$ 0.33
1988	3,456,000	0.71
1987	5,198,000	1.07
1986	9,780,000	2.02
1985	10,342,000	2.15

‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 7,750	$ 8,428
Cost of sales	7,048	8,142
Expenses	1,931	2,077
Prov. for doubtful accts.	223	278
Research & develop.	45	47
Interest expense	240	454
Other income	(224)	(208)
Prov. for doubtful notes rec.	200	—
Other costs	84	560
Loss-cont. oper.	$ (1,797)	$ (2,922)
Inc. (loss)-discont. oper.	(34)	1,171
Net Loss	$ (1,831)	$ (1,751)

* Included in Costs and Expenses, Depreciation and Amortization: $776,000 in 1989 and $867,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash	$ 720	$ 284
Marketable securities	—	1,953
Accts. receiv., net	1,100	1,441
*Inventories	1,859	2,423
Prepaid expenses	195	116
Current Assets	$ 3,874	$ 6,217
#Fixed assets	2,715	3,497
Other assets	223	354
Total Assets	$ 6,812	$ 10,068

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 124	$ 395
Accts. payable	825	1,116
Deferred revenue	323	472
Est. legal fees	350	350
Accruals	723	1,002
Net liab. of discont. oper.	281	647
Curr. Liabilities	$ 2,626	$ 3,982
Long-term debt	2,562	2,630
+Common stock	609	610
Add. paid-in capital	11,202	11,202
Retained earnings (deficit)	(10,187)	(8,356)
Total Liabilities & Shareholders' Equity	$ 6,812	$ 10,068

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

Sales to Inventories	4.18	3.48
Debt to Equity	1.65	0.88
Working Capital	$ 1,248,000	$ 2,235,000
Current Ratio	1.48	1.56
Shareholders' Equity	$ 1,624,000	$ 3,456,000

Ramtek Corporation

1525 Atteberry Lane
San Jose, California 95131
(408) 954-2700
FAX: (408) 954-0118

(On September 29, 1988, the company filed a voluntary petition with the Bankruptcy Court for reorganization under Chapter XI. Since the filing of the petition, the company has operated its business and properties as debtor-in possession.)

Officers: James A. Swanson, president, chief executive officer; Bill R. Finley, v.p., chief financial officer; Dick Maihofer, v.p., sales and project management; James L. Nocar, v.p., product development.

Directors: Gary A. Land, chairman; Joseph Bojues, James A. Swanson, George Von Gehr, J.Garrett Fitzgibbons.

Areas of Work: The Company designs and develops computer display systems for imaging and graphics markets such as command and control, computer-aided-design, process control, remote sensing, weather, seismic and medical imaging.

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RMTK (NASDAQ)

Number of Employees: (at fiscal year-end)

1989	120	1986	319
1988	185	1985	460
1987	303		

Plant Footage:

1989	43,000 sq. ft.	1986	85,000
1988	43,000	1985	150,000
1987	85,000		

Sales & Earnings

	Revenues +	Net Income †
1989	$ 19,271,000	$ 217,000
1988	22,898,000	N.A.
1987	23,895,000	N.A.
1986	30,892,000	(3,552,000)
1985	43,996,000	(2,116,000)

	No. of Com. Shares #	Earn. per Share †#
1989	4,099,000	$ 0.05
1988	N.A.	—
1987	N.A.	—
1986	3,498,000	—
1985	3,441,000	—

NOTE: Statements of operations for 1988 and 1987 fiscal years are not available on an audited basis, and the information presented has been prepared by the company without audit and is based on management's best estimates. N.A. indicates that management is not able to estimate the information on a reliable basis.

(Loss)

+ Of continuing operations only.

† Including extraordinary gain of $397,000 (0.10 per share) in 1989.

# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ (10,983,000)	$ —
1988	(11,200,000)	—
1987	N.A.	—
1986	15,004,000	4.29
1985	17,236,000	5.01

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended June 30	1989
Product sales	$ 12,850,000
Service & other rev.	3,321,000
Sales of technology	3,100,000
Total revenues	$ 19,271,000
Cost of revenues	9,456,000
Product development	3,636,000
Expenses	5,274,000
Interest income	(92,000)
Interest expense	519,000
Gain on dispos. of lease	(875,000)
Loss on write-off of def. issuance costs	1,073,000
Income bef. taxes	$ 280,000
Income taxes	460,000
Net Loss	$ (180,000)
Extraord. gain	397,000
Net Loss & extraord. gain	$ 217,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,658,000 in 1989.

Assets

As of June 30	1989	1988
Cash	$ 1,371,000	$ 182,000
Accts. receiv., net	2,459,000	3,016,000
* Inventories	3,184,000	4,243,000
Prepaid expenses	240,000	184,000
Current Assets	$ 7,254,000	$ 7,625,000
# Fixed assets	1,296,000	2,531,000
Software develop. costs	209,000	761,000
Deferred debt issurance costs	—	1,090,000
Total Assets	$ 8,759,000	$ 12,007,000

Liabilities

Notes payable	$ 300,000	$ 750,000
Term loan	—	215,000
Cap. lease oblig., curr.	37,000	526,000
Accts. payable	3,222,000	3,942,000
Taxes payable	1,389,000	1,487,000
Accrued compensation	497,000	1,054,000
Interest payable	733,000	438,000
Other accruals	1,514,000	2,084,000
Accrued loss on oper. lease	250,000	1,211,000
Convert. subord. debt	11,500,000	11,500,000
Adv. customer payments	300,000	—
Curr. Liabilities	$ 19,742,000	$ 23,207,000
+ Common stock	40,000	40,000
+ Jr. common stock	1,000	1,000
Add. paid-in capital	29,480,000	29,480,000
Shareholders' notes receiv.	1,398,000	1,398,000
Reserve for shareholders' notes receiv.	(1,398,000)	(1,398,000)
Retained earnings (deficit)	(40,504,000)	(40,721,000)
Total Liabilities & Shareholders' Equity	$ 8,759,000	$ 12,007,000

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Raven Industries, Inc.

205 E. 6th Street
Sioux Falls, South Dakota 57117
(605) 336-2750
FAX: (605) 335-0268

Mailing address:
P.O. 1007
Sioux Falls, South Dakota 57117

Officers: Conrad J. Hoigaard, chairman of the board; David A. Christensen, president & chief executive officer; Gary L. Conradi, v.p.-corp. services; James A. Winker, v.p.; Ronald M. Moquist, exec. v.p.; Arnold J. Thue, v.p.-finance, treasurer & secretary.

Directors: John H. Burg, David A. Christensen, Conrad J. Hoigaard, Robert G. May, John C. Skoglund, Mark E. Griffin, Kevin T. Kirby.

Areas of Work: Supplies plastic, electronic, and special-fabric products to five major markets: Defense, Recreation, Industrial, Agriculture, & Automotive.

Divisions:

Sportswear Division
Products include the "Swing West" line of ski clothing. "Raven" line of snowmobile suits and general outerwear, "Comfy" down insulated garments, "AFRC" cross-country ski clothing, "Gore-Tex" military and hunting clothes, as well as private label garments.

Plastics Division
Products include fiberglass and polyethylene tanks for agricultural, industrial and water conditioning use, custom fabricated fiberglass parts and designs for water and sewage treatment markets, and the construction and machinery markets, fiberglass pickup truck toppers, and fiberglass utility truck bodies.

Electronic Systems Division
Products include batch weighing, control and inventory systems; turbine helicopter auto-restart units, audio amplifiers. industrial annunciators, turbine engine speed controls, turbine engine test sets, FAA radio beacon monitor alarms, telemetry systems, U.S. Government electronic assemblies, electronic agricultural and industrial products and printed circuit assembly services.

Applied Technology Division
Products and services include plastic tarpaulins, hot air sports balloons, high altitude research balloons, heavy load lifting balloons, decelerators (parachutes), contract engineering and research, hot air blimps, and AdverBlimps.

Subsidiaries:

Aerostar International, Inc.
Beta Raven, Inc.
Manufactures Electronic Control Systems

Glasstite, Inc.
Dunnell, Minnesota
Manufactures fiberglass pickup toppers and utility truck bodies.

Astoria Industries, Inc.
Jackson, Minnesota
Manufactures fiberglass utility truck bodies..

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Norwest Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: RAV

Number of Employees: (at fiscal year end)

1989	1,157	1986	664
1988	1,034	1985	765
1987	942		

Sales & Earnings

	Net Sales	Net Income
1990	$ 90,972,783	$ 4,234,757
1989	77,562,863	2,929,588
1988	64,304,867	2,656,052
1987	52,303,056	2,121,678
1986	41,899,174	1,610,693

	No. of Com. Shares ‡	Earn. per Share ‡
1990	3,226,000	$ 1.31
1989	3,217,000	0.91
1988	3,207,000	0.83
1987	3,169,000	0.67
1986	3,158,000	0.51

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Applied technology	$ 33,192	$ 27,111
Electronics	19,933	17,114
Plastics	20,946	20,092
Sportswear	16,902	13,246
Total	$ 90,973	$ 77,563

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.27	—	2-for-1
1989	0.23	—	
1988	0.22	—	—
1987	0.21	—	—
1986	0.21	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 22,801,810	$ 7.51
1989	21,448,133	6.72
1988	19,170,349	6.04
1987	17,154,516	5.44
1986	15,658,863	5.01

‡ Adjusted to reflect stock split.

Income Account*

Year ended Jan. 31	1990	1989
Net sales	$ 90,972,783	$ 77,562,863
Cost of sales	72,795,418	62,705,696
Expenses	10,716,309	9,730,203
Interest expense	777,130	727,800
Other income	(146,831)	(178,424)
Income before taxes	$ 6,830,757	$ 4,577,588
Income taxes	2,596,000	1,648,000
Net Income	$ 4,234,757	$ 2,929,588

* Included in Costs and Expenses, Depreciation and Amortization: $2,777,379 in 1990 and $2,671,993 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 946,244	$ 1,725,377
Accts. receiv., net	11,731,872	9,363,536
*Inventories	17,551,413	13,604,835
Prepaid expenses	340,040	281,861
Current Assets	$ 30,569,569	$ 24,975,609
#Fixed assets	7,163,161	8,702,369
Intangibles	1,173,994	1,639,088
Other assets	640,161	574,851
Total Assets	$ 39,546,885	$ 35,891,917

Liabilities

Long-term debt, curr.	$ 1,298,926	$ 1,144,056
Accts. payable	4,635,287	4,240,681
Accruals	5,069,373	3,908,549
Customers advances	242,985	340,070
Curr. Liabilities	$ 11,246,571	$ 9,633,356
Long-term debt	4,966,504	4,115,428
Deferred income taxes	532,000	695,000
+Common stock	3,216,793	1,594,990
Add. paid-in capital	1,124,545	2,666,436
Retained earnings	20,572,694	17,186,707
Treasury stock	(2,112,222)	—
Total Liabilities & Shareholders' Equity	$ 39,546,885	$ 35,891,917

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.51	5.90
%Net Income to Sales	4.65	3.78
%Net Income to Equity	18.57	13.66
Sales to Inventories	5.18	5.70
Debt to Equity	0.27	0.28
Working Capital	$ 19,322,998	$ 15,342,253
Current Ratio	2.72	2.59
Shareholders' Equity	22,801,810	$ 21,448,133

Raychem Corporation

300 Constitution Drive
Menlo Park, California 94025-1164
(415) 361-3333
FAX: (415) 361-5447

Officers: Robert Saldich, president & chief executive officer; Edward A. Keible, Jr., sr. v.p.; Michael T. Everett, sr. v.p. & secretary; William E. Mitchell, sr. v.p.; James B. Spradling, v.p.; Harry O. Postlewait, v.p.; David D. Taft, v.p.; Thomas S. Huseby, v.p.; Raymond J. Sims, v.p. & treasurer; Francis J. Lunger, v.p.-finance; Rene Raecke, v.p.; Peter S. Carson, V.P..

Directors: Robert Saldich, chairman; Robert G. Engel, Detlev K. Rohwedder, Robert M. Halperin, J. Kenneth Jamieson, James F. Gibbons.

Areas of Work: The Electronics business segment includes the development, manufacture and sale of electrical and electronic interconnection systems, wire and cable, heat-shrinkable insulation, circuit protection devices, connectors, fiber optics, heating devices and fluid fittings.

The Industrial business segment consists of the development, manufacture and sale of electric heat-tracing systems, power cable accessories, electric insulation products, heat-shrinkable sleeves and coatings for pipeline protection, leak detection systems and cathodic protection products.

The Telecommunications business segment consists of the development, manufacture and sale of systems that connect, protect, repair and seal outside-plant telecommunication networks. Products include telephone cable splice cases, aerial closure systems, cable repair sleeves and cable termination products.

The Ventures and Other business segment includes the research and development, manufacture and sale of liquid crystal displays, packages for single and multiple integrated circuits, optic technologies and systems, and touch screen systems.

Subsidiaries:

Chemgene France S.A.
Compagnie Francaise des Isolants
Elographics, Inc.
K.K. Raychem
Raychem AG
Raychem Aktie Bolag
Raychem A/S
Raychem (Australia) Proprietary, Ltd.
Raychem Canada Limited
Raychem (Delaware) Ltd.
Raychem DISC, Inc.
Raychem Far East, Inc.
Raychem Foreign Sales Corporation
Raychem Gesellschaft m.b.H.
Raychem gmbH
Raychem (H.K.) Limited
Raychem Industrial y Comercial Limitada
Raychem Industries, Inc.
Raychem Industries N.V.
Raychem Inter-America, Inc.
Raychem International Corporation
Raychem International, Limited
Raychem International Manufacturing Corporation
Raychem Limited
Raychem (Nederland) B.V.
Raychem New Zealand Limited
Raychem N.V.
Raychem OY
Raychem Pontoise S.A.
Raychem Produtos Irradiados Ltda.
Raychem Puerto Rico Corporation
Raychem Radiation Technologies, Inc.
Raychem S.A.
Raychem S.A. Industrial y Comercial
Raychem Saudi Arabia Limited
Raychem Singapore Pte. Limited
Raychem S.p.A.
Raychem Technologies E.C.
Raychem Technologias, S.A. de C.V.
Raychem de Venezuela, C.A.
Raychem Ventures, Inc.
Raynet Corporation
Remtek Corporation
SHG Strahlenchemie Holding GmbH
Sigmaform Corporation
Taliq Corporation
Walter Rose GmbH & Co. KG

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): New York

Ticker Symbol: RYC

Number of Employees:

1989	11,451	1986	9,928
1988	10,909	1985	9,589
1987	9,899		

Plant Footage:

1989	6,343,000 sq. ft.	1988	5,181,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,083,028,000	$ 36,347,000
1988	1,094,733,000	125,285,000
1987	944,434,000	73,599,000
1986	797,632,000	48,790,000
1985	679,770,000	29,195,000

	No. of Com. Shares #	Earn. per Share #
1989	34,928,935	$ 1.04
1988	33,979,365	3.69
1987	32,738,442	2.25
1986	31,508,283	1.55
1985	30,430,224	0.96

# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Electronics	$ 473,665,000	$ 484,287,000
Industrial	309,499,000	310,037,000
Telecommunications	276,926,000	258,722,000
Ventures	22,938,000	41,687,000
Total	$ 1,083,028,000	$ 1,094,733,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.30	—	—
1988	0.22	—	
1987	0.15	—	—
1986	0.15	—	—
1985	0.15	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 734,286,000	$ 21.02
1988	722,155,000	21.25
1987	570,946,000	17.44
1986	452,464,000	14.36
1985	355,838,000	11.69

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 1,083,028,000	$ 1,094,733,000
Cost of sales	511,299,000	499,938,000
Expenses	516,839,000	443,415,000
Interest expense	1,953,000	6,335,000
Gain on sale of subsid.	(7,266,000)	(18,067,000)
Other income	(3,564,000)	(6,192,000)
Income before taxes	$ 63,767,000	$ 169,304,000
Income taxes	27,420,000	44,019,000
Net Income	$ 36,347,000	$ 125,285,000

* Included in Costs and Expenses, Depreciation and Amortization: $72,337,000 in 1989 and $62,738,000 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 153,005,000	$ 132,825,000
Accts. receiv., net	242,859,000	243,563,000
* Inventories	221,264,000	201.301,000
Prepaid taxes	29,739,000	32,895,000
Other curr. assets	26,050,000	51,654,000
Current Assets	$ 672,917,000	$ 662,238,000
#Fixed assets	403,357,000	401,883,000
Other assets	96,509,000	84,854,000
Total Assets	$ 1,172,783,000	$ 1,148,975,000

Liabilities

Notes payable	$ 88,589,000	$ 87,636,000
Long-term debt, curr.	12,676,000	6,152,000
Accts. payable	58,273,000	50,296,000
Compensation & benefits	58,770,000	66,374,000
Accruals	66,964,000	44,959,000
Income taxes	29,948,000	49,638,000
Curr. Liabilities	$ 315,220,000	$ 305,055,000
Long-term debt	29,029,000	35,458,000
Deferred inc. taxes	22,894,000	29,212,000
Other liab.	41,985,000	29,609,000
Minority interest	29,369,000	27,486,000
+ Common stock	35,241,000	34,290,000
+ Series B stock	—	2,400,000
Add. paid-in capital	202,844,000	187,568,000
Retained earnings	532,187,000	513,533,000
For. curr. trans.	(26,448,000)	(3,532,000)
Notes receiv. from sale of stock	(9,538,000)	(12,104,000)
Total Liabilities & Shareholders' Equity	$ 1,172,783,000	$ 1,148,975,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.89	15.47
%Net Income to Sales	3.36	11.44
%Net Income to Equity	4.95	17.35
Sales to Inventories	4.89	5.44
Debt to Equity	0.18	0.18
Working Capital	$ 357,697,000	$ 357,183,000
Current Ratio	2.13	2.17
Shareholders' Equity	$ 734,286,000	$ 722,155,000

Raytheon Company

141 Spring Street
Lexington, Massachusetts 02173
(617) 862-6600
FAX: (617) 860-2172

Officers: Thomas L. Phillips, chairman & chief executive officer; Dennis J. Picard, president; Herbert Deitcher, treasurer; Walter H. Palmer, v.p.-public & financial relations; E. Leonard Kane, human resources; John R. Pasquariello, v.p.-manufacturing; Philip A. Phalon, sr. v.p.-corp. marketing; Charles H. Resnick, sr. v.p., secretary & general counsel; Sheldon Rutstein, controller; Aldo Massara, v.p.-international affairs; Gerard A. Smith, v.p.-Washington operations; David S. Dwelley, pres.-Raytheon Europe Limited; James J. Lewis, v.p. & mgr.-Saudi Arabian Programs, Missile Systems Division; Walter V. Trainor, Jr., v.p. & mgr.-Patriot Program, Missile Systems Division; John P. Shanley, v.p. & gen. mgr.-Missile Systems Division; Walter M. Stowell, v.p. & gen. mgr.-Equipment Division; David A. Deardorf, v.p. & gen. mgr.-Semiconductor Division; Ronald W. Dunmire, president-Cedarapids, Inc.; Stanley L. Clark, president-Raytheon Marine Co.; George W. Sarney, sr. v.p. & group exec.-industry services; Charles W. Schmidt, sr. v.p.; Thomas D. Hall, president-Speed Queen Company; William C. Jones, Jr., president-Switchcraft, Inc.; Loren A. Korte, president-D.C. Heath & Co.; Gunnar E. Sarsten, president-United Engineers & Constructors International, Inc.; Willard E. Marcley, v.p. & gen. mgr.-Submarine Signal Division; Henry J. Meyer, sr. v.p., chairman & chief exec. officer -Amana Refrigeration, Inc.; Ralph A. Martin, v.p. & president-Raytheon Service Company; Richard D. Curtis, v.p. & gen. mgr.-Electromagnetic Systems Division; John F. Harding, v.p.-contracts; Max E. Bleck, president-Beech Aircraft Corporation & group exec.-Aircraft Group; John Booth, v.p. & Waltham plant mgr., Equipment Division manufacturing; Ronald D. Kalp, v.p. & gen. mgr.-Microwave and Power Tube Division; William H. Swanson, v.p. & Andover plant mgr., Missile Systems Division; Hermann Statz, gen. mgr.-Research Division; Ian R. Cheshire, pres.-Seismograph Service Corp.; James V. DiLorenzo, gen. mgr.-Advanced Device Center; Mike W. Fossier, v.p. & asst. gen. mgr.-Technical Missile Systems Division; Eric M. Levi, v.p. & asst. gen. mgr.-Development & Administration, Missile Systems Div.

Directors: Thomas L. Phillips, chairman; Harvey Brooks, James N. Land, Jr., Richard D. Hill, Colman M. Mockler, Jr., Albert L. Nickerson, Francis H. Burr, Joseph J. Sisco, Theodore L. Eliot, Jr., Ferdinand Colloredo-Mansfeld, Barbara B. Hauptfuhrer, Dennis J. Picard, James C. Fletcher.

Areas of Work: Engaged in the design, engineering, manufacture and servicing of advanced electronic devices, equipment, and systems for both commercial and government customers. Energy services include geophysical exploration and the design, engineering and construction of refineries, petrochemical facilities, and electrical generating plants. Manufactures and markets consumer appliances, and heating and cooling equipment. Also designs and manufactures aircraft used primarily for business flying.

Divisions, Subsidiaries & Affiliates:

D.C. Heath and Company
Lexington, Massachusetts; Indianapolis, Indiana
Produces and distributes textbooks and coordinated instructional materials, and science learning apparatus.

Seismograph Service Corporation
Tulsa, Oklahoma
Geophysical exploration.

The Badger Company, Inc.
Cambridge, MA; Houston, TX; New York, NY;
Tampa and Lakeland, Florida
Design, engineering and construction of petroleum, coal, petrochemical, chemical and fertilizer processing plants.

Amana Refrigeration, Inc.
Amana, Iowa; Fayetteville, Tennessee
Electric ranges, refrigerators, freezers, room and central air conditioners, heat pumps, microwave ovens.

Microwave and Power Tube Division
Northborough, Waltham, Burlington & Quincy, MA;
Chicago, Illinois
Microwave tubes; solid state microwave devices; lasers; broadcast and X-ray tubes; power supplies, industrial microwave heating systems; transformers; receiving and industrial tubes; particle accelerators; electronic hardware; night vision devices; molded plastic products, image intensifiers, light amplifier tubes, infrared detectors, medical electronics.

Caloric Corporation
Florence, South Carolina
Topton, Pennsylvania
Gas and electric ranges, microwave ovens, dishwashers, and related kitchen products.

Equipment Division
Sudbury, Wayland, Waltham and Marlborough,
Massachusetts
Surface and shipboard radar and navigation systems; military communications; radar instrumentation; air traffic control systems, data display systems; missile guidance electronics; software systems, vehicle traffic control systems.

Semiconductor Division
Mountain View, California
Transistors, diodes, and microelectric circuits.

Raytheon Marine Company
Hudson, New Hampshire
Marine radars, depth sounders, radiotelephones, direction finders, and related navigation aids.

Sorensen Company
Paxton, Illinois
Power supplies, power regulating equipment, precision welders, ultrasonic grinders.

Research Division
Lexington, Massachusetts
Materials and components for electronics.

Missile Systems Division
Bedford, Andover, Tewksbury, Lowell, MA;
Bristol, TN;
Manchester, New Hampshire
Air defense and tactical airborne systems; related radar, command and control systems, avionics.

Electromagnetic Systems Division
Santa Barbara, California
Re-entry systems, electronic counter-measures.

Submarine Signal Division
Portsmouth, Rhode Island
Anti-submarine warfare systems, submarine and airborne sonar, transducers, ocean systems and equipment.

Raytheon Service Company
Burlington, Massachusetts
Installation and maintenance of electronic systems and equipment; education and training.

Switchcraft, Inc.
Chicago, Illinois
Switches, jacks, plugs and connectors and audio accessory components.

Cedarapids, Inc.
Cedar Rapids, Iowa
Aggregate producing and asphalt mixing plants and paving equipment. Stationary and portable cone-type rock crushing machinery.

United Engineers & Constructors Inc.
Philadelphia, PA; Boston, Massachusetts
Design, engineering and construction of conventional and nuclear power facilities and general industrial plants.

Raytheon Canada Limited
Waterloo, Ontario, Canada
Surface and shipboard radar and navigation systems; military communications, air traffic control systems, data display systems, shipboard defense systems.

Cossor Electronics Limited
Harlow, Essex, England
Air traffic control radar, transponders, marine equipment, VHG radios, instruments, displays.

Lacroix & Kress, Klasing G.m.b.H. & Co.
Bramsche, West Germany
Ultra-fine wire, small diameter cable.

TAG Semiconductos Ltd.
Zurich, Switzerland
Semiconductor devices.

Data Logic Ltd.
England
Computer software and systems.

Electrical Installations Ltd.
England
Commercial installation of electrical systems.

Beech Aircraft Corporation
Wichita, Kansas
Designs and manufactures commuter, executive, personal military and special mission aircraft, cryogenic systems, air-frames, logistic support and target missiles.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific, Midwest

Ticker Symbol: RTN

Number of Employees:

1989	77,600	1986	75,000
1988	76,200	1985	73,000
1987	76,500		

Plant Footage:

1989	28,500,000 sq. ft.	1986	27,000,000
1988	27,000,000	1985	27,000,000
1987	27,000,000		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 8,796,100	$ 525,800
1988	8,192,100	489,600
1987	7,659,400	445,100
1986	7,308,000	393,200
1985	6,408,500	375,900

	No. of Com. Shares #	Earn. per Share #
1989	66,027,000	$ 8.01
1988	66,621,000	7.35
1987	72,764,000	6.12
1986	77,041,000	5.10
1985	81.670,000	4.60

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Electronics	$ 5,333,000	$ 4,994,000
Aircraft prods.	915,000	948,000
Energy services	870,000	709,000
Major appliances	1,070,000	979,000
Other	608,000	562,000
Total	$ 8,796,000	$ 8,192,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.20	—	—
1988	2.00	—	
1987	1.85	—	—
1986	1.75	—	—
1985	1.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 2,426,100	$ 36.97
1988	2,121,000	31.96
1987	1,849,100	27.31
1986	1,954,600	26.39
1985	1,929,000	24.84

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 8,796,076	$ 8,192,083
Cost of sales	6,996,512	6,536,521
Expenses	1,053,929	1,014,544
Interest expense	113,432	62,790
Interest income	(78,989)	(57,838)
Other income	(46,471)	(69,473)
Income before taxes	$ 757,663	$ 705,539
Income taxes	228,849	215,985
Net Income	$ 528,814	$ 489,554

* Included in Costs and Expenses, Depreciation and Amortization: $281,637,000 in 1989 and $259,015,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 99,250	$ 108,056
Accts. receiv., net	671,481	709,024
Contracts in progress	1,386,996	1,133,424
*Inventories	851,961	726,264
Prepaid expenses	94,793	167,524
Current Assets	$ 3,104,481	$ 2,844,292
#Fixed assets	1,456,296	1,355,198
Other assets	777,516	540,015
Total Assets	$ 5,338,293	$ 4,739,505

Liabilities
(000's)

	1989	1988
Notes payable & long-term debt, curr.	$ 1,183,571	$ 911,443
Accts. payable	620,228	539,534
Advance payments	343,785	411,754
Accrued payroll	219,878	203,285
Income taxes	37,950	125,636
Other accruals	416,635	385,514
Curr. Liabilities	$ 2,822,047	$ 2,577,166
Long-term debt	45,982	41,340
Pension liability	44,118	—
+Common stock	65,620	66,373
Add. paid-in capital	200,673	182,808
Retained earnings	2,175,817	1,869,267
Foreign currency translation adjustment	(15,964)	2,551
Total Liabilities & Shareholders' Equity	$ 5,338,293	$ 4,739,505

* At cost (FIFO or average), but not in excess of net realizable value. Aircraft prods. inventories are stated at lower of cost (LIFO) or market. Work in process stated at total cost incurred reduced by est. costs of units delivered.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.61	8.61
%Net Income to Sales	6.01	5.98
%Net Income to Equity	21.80	23.08
Sales to Inventories	10.32	11.28
Debt to Equity	0.51	0.45
Working Capital	$ 282,434,000	$ 267,126,000
Current Ratio	1.10	1.10
Shareholders' Equity	$ 2,426,146,000	$ 2,120,999,000

Recognition Equipment Incorporated

2701 East Grauwyler Road
Irving, Texas 75061
(214) 579-6000
FAX: (214) 579-5844

Mailing address:
P.O. Box 660204
Dallas, Texas 75266-0204

Officers: Thomas Hurley, co-chief exec. officer; Robert Vanourek, co-chief executive officer; Israel Sheinberg, exec. v.p.; John C. Hall, v.p.; Philip M. Colquhoun, v.p.; Samuel L. Densmore, III, v.p.; Dwayne L. McAfee, v.p.; Thomas A. Loose, sr. v.p., secretary & general counsel; Mary Virginia Haynes, v.p.; Paul E. Starkey, v.p.; Philip M. Struve, v.p..

Directors: Lucy Billingsley, Howard J. Runnion, Jr., William C. Hittinger, Thomas Hurley, William H. Seay, Robert Vanourek.

Areas of Work: Engaged in the design, manufacture, marketing, and service of a variety of information processing systems employing optical character recognition, magnetic ink character recognition, image capturing, high-speed paper handling, ink-jet printing and innovative software/hardware integration technologies. Systems are used for data acquisition, document handling and document truncation in such applications as centralized data entry, high-speed document processing, mail processing and distributed data processing.

Subsidiaries:

Consolidated Computer International, Inc.

Recognition Enterprises, Inc.
Irving, Texas

Recognition Equipment (Canada) Ltd.
Toronto, Canada

Recognition Equipment France, S.A.
Paris, France

Recognition Equipment GmbH
Frankfurt, West Germany

Recognition Equipment Iberica S.A.
Madrid, Spain

Recognition Equipment Finland OY AB
Helsinki, Finland

Recognition Equipment Italia, S.p.A.
Rome, Italy

Recognition Equipment Nederland, B.V.
Amsterdam, Netherlands

Recognition Equipment Norge A/S
Oslo, Norway

Recognition Equipment (Japan) Inc.
Tokyo, Japan

Recognition Equipment Limited
London, England

Recognition Pacific Limited
Sydney, Australia

Recognition Equipment (Australia) Pty. Ltd.
Sydney, Australia

Recognition Equipment AB
Stockholm, Sweden

REI-MDS Deutschland GmbH und Co. OHG
Recognition A/S
MDS-Belgium S.A.
MDS-Deutschland GmbH
MDS-France S.A.
MDS-Grundstucksverwaltungsgesellschaft mbH
MDS-Svenska AB

Plexus Computers, Inc.

Mohawk Data Sciences-Canada, Limited (MDS)

Transfer Agent(s):

MTrust Corp. N.A.
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): New York

Ticker Symbol: REC

Number of Employees:

1989	2,540	1986	2,950
1988	2,708	1985	2,908
1987	3,050		

N.A. - Not Available.

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 255,874,000	$ (38,803,000)
1988	260,764,000	(15,696,000)
1987	264,658,000	13,814,000
1986	241,795,000	10,539,000
1985	163,147,000	4,316,000

Recognition Equipment Incorporated

	No. of Com. Shares #	Earn. per Share ‡ #
1989	10,256,000	$ —
1988	10,144,000	—
1987	10,398,000	1.33
1986	9,969,000	1.06
1985	9,713,000	0.44

(Loss)
‡ Including extraordinary gains of $114,000 ($0.01 per share) in 1988, $2,600,000 ($0.25 per share) in 1987, $1,555,000 ($0.16 per share) in 1986 and $301,000 ($0.03 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 72,558,000	$ 7.07
1988	111,235,000	10.97
1987	133,898,000	12.88
1986	115,882,000	11.62
1985	98,807,000	10.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1989	1988
Revenues:		
Product	$ 134,618	$ 130,176
Customer service	121,256	130,588
Total revenues	$ 255,874	$ 260,764
Cost of revenues	183,095	167,975
Research & develop.	6,504	8,503
Selling, general & adm. exp.	81,225	82,333
Restruc. charge	15,876	—
Other expenses	5,363	7,319
Interest income	(6,868)	(6,495)
Interest expense	7,297	7,041
For. exch. losses	507	179
Other expense	140	2,924
Loss before taxes	$ (37,265)	$ (9,015)
Income taxes	1,538	3,217
Net Loss	$ (38,803)	$ (12,232)
Extraord. gain	—	114
Cum. effect of acct. change	—	(3,578)
Net Loss & extraord. gain	$ (38,803)	$ (15,696)

* Included in Costs and Expenses, Depreciation: $19,855,000 in 1989 and $22,569,000 in 1988.

Assets
(000's)

As of Oct. 31	1989	1988
Cash & cash equiv.	$ 33,736	$ 41,845
Accts. receiv., net	51,530	70,591
*Inventories	42,254	31,875
Other curr. assets	24,910	4,880
Current Assets	$ 152,430	$ 149,191
#Fixed assets	23,483	25,202
#Systems on lease	4,288	8,104
#Service parts	25,298	34,909
Long-term receiv.	15,594	25,404
Goodwill	11,982	12,521
Other assets	6,495	5,416
Total Assets	$ 239,570	$ 260,747

Liabilities
(000's)

Short-term debt	$ 21,401	$ 29,071
Accts. payable	14,535	13,383
Income taxes	1,864	3,168
Accrued comp. & benefits	13,740	13,380
Other accruals	42,197	29,640
Curr. Liabilities	$ 93,737	$ 88,642
Long-term debt	61,833	57,607
Other liabilities	11,442	3,263
+ Common stock	2,562	2,557
Add. paid-in capital	93,566	92,808
Retained earnings (deficit)	(24,690)	14,113
Translation adjust.	1,741	2,378
Treasury stock	(621)	(621)
Total Liabilities & Shareholders' Equity	$ 239,570	$ 260,747

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

Debt to Equity	1.15	0.78
Working Capital	$ 58,693,000	$ 60,549,000
Current Ratio	1.63	1.68
Shareholder's Equity	$ 72,558,000	$ 111,235,000

Relm Communications

(formerly Regency Electronics, Inc.)

7707 Records Street
Indianapolis, Indiana 46226
(317) 545-4281

Officers: Steven L. Wilkening, president, chief operating officer & treasurer; James K. Sommer, secretary; Charles A. Merriman, v.p.-operations; Alfred H. Hunt, III, president & chief exec. officer-IFR Systems, Inc..

Directors: James K. Sommer, Ralph R. Whitney, Jr., Steven L. Wilkening, John E. Fox, Paul E. Reinken, Alfred H. Hunt, III.

Areas of Work: Designs, manufactures and markets electronic communications equipment consisting of voice communications equipment (land mobile two-way radios), digital data communications equipment (electronic utility load management systems) and, through the Company's 84%-owned subsidiary, IFR Systems, Inc., electronic test equipment (communications service monitors, avionics precision simulators, and test and measurement equipment).

Subsidiaries:

IFR Systems, Inc. (84%-owned)
10200 W. New York St.
Wichita, Kansas 67215
(316) 522-4981

Regency Taiwan, Ltd.
P.O. Box 3702
Taipei, Taiwan R.O.C.

Transfer Agent(s):

Merchants National Bank & Trust Co.
1 Merchants Plaza
Indianapolis, Indiana 46255

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RGCY (NASDAQ)

Number of Employees:

1988	1,080	1985	N.A.
1987	1,340	1984	1,700
1986	1,200		

Plant Footage:

1988	260,000 sq. ft.	1985	N.A.
1987	260,000	1984	314,000
1986	379,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales #	Net Income †
1988	$ 68,371,082	$ (3,622,377)
1987	74,756,669	1,153,105
1986	91,273,433	(2,753,069)
1985	114,396,054	4,309,437
1984	109,468,676	2,026,261

	No. of Com. Shares +	Earn. per Share † ‡
1988	10,999,000	$ —
1987	10,732,000	0.11
1986	10,730,000	—
1985	10,730,000	0.40
1984	10,730,000	0.19

(Loss)
# Includes other income.
† Including extraordinary gains of $912,000 in 1988 and $848,000 in 1986.
+ Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Voice communicatons equip.	$ 22,136,000	$ 33,322,000
Electronic test equip.	37,945,000	33,626,000
Digital data commun. equip.	6,029,000	4,146,000
Video commun. equip.	—	110,000
Other	2.261,000	3,553,000
Total	$ 68,371,000	$ 74,757,000

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	$ 0.10	—	—
1987	0.20	—	
1986	0.20	—	—
1985	0.20	—	—
1984	0.20	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 37,877,981	$ 3.44
1987	41,061,817	3.83
1986	42,041,518	3.92
1985	46,940,330	4.37
1984	44,776,636	4.17

‡ Adjusted to reflect stock split.

Income Account*

Year ended June 30	1988	1987
Net sales	$ 68,371,082	$ 74,756,669
Cost of sales	46,669,273	50,887,593
Expenses	20,334,057	18,656,060
Discontinued businesses	7,370,000	—
Amort. of goodwill	614,273	97,052
Gain on sale of consumer products business	(4,824,389)	—
Interest expense	1,640,250	1,750,838
Other charges	153,459	494,309
Other income	(622,246)	(1,003,254)
Income (loss) bef. taxes	$ (2,963,595)	$ 3,874,071

	1988	1987
Income taxes	607,000	2,021,000
Minority interest	963,782	699,966
Net Income (Loss)	$ (4,534,377)	$ 1,153,105
Extraord. gain	912,000	—
Net Income (Loss) & extraord. gain	$ (3,622,377)	$ 1,153,105

• Included in Costs and Expenses, Depreciation and Amortization: $2,497,264 in 1988 and $2,413,584 in 1987.

Assets

As of June 30	1988	1987
Cash	$ 4,059,263	$ 2,098,427
Accts. receiv, net	10,639,741	17,776,516
*Inventories	21,012,643	35,654,326
Deferred employee benefits	1,215,496	1,594,416
Prepaid expenses	186,889	217,058
Deferred fed. inc. taxes	100,946	204,589
Assets of discont. bus.	5,892,810	—
Deferred income taxes	2,429,000	693,000
Current Assets	$ 45,536,788	$ 58,238,332
#Fixed assets	12,270,551	12,390,853
Prop. under cap. leases	1,624,786	1,855,076
Intangibles	494,064	541,224
Prop. held for sale	716,316	716,316
Other assets	546,712	460,084
Total Assets	$ 61,189,217	$ 74,201,886

Liabilities

	1988	1987
Cap. lease oblig. curr.	$ 2,335,976	$ 10,335,976
Accts. payable	1,902,630	2,936,514
Accrued payroll	2,761,256	1,740,768
Other accruals	2,916,058	2,342,303
Income taxes	494,014	1,177,332
Contribution to VEBA trust	1,349,067	1,614,593
Other taxes	773,004	1,025,558
Curr. Liabilities	$ 12,532,005	$ 21,173,044
Long-term debt	3,800,000	4,000,000
Cap. lease oblig.	178,498	2,336,600
Deferred income taxes	3,247,000	2,816,000
Minority interest	3,553,733	2,814,425
+Common stock	3,733,639	2,221,976
Retained earnings	34,553,842	39,249,341
Treasury stock	(409,500)	(409,500)
Total Liabilities & Shareholders' Equity	$ 61,189,217	$ 74,201,886

• At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Sales	—	5.18
%Net Income to Sales	—	1.54
%Net Income to Equity	—	2.81
Sales to Inventories	3.25	2.10
Debt to Equity	0.17	0.41
Working Capital	$ 33,004,783	$ 37,065,288
Current Ratio	3.63	2.75
Shareholders' Equity	$ 37,877,981	$ 41,061,817

Resdel Industries

201 Technology Drive
Irvine, California 92718
(714) 727-1911
FAX: (714) 727-3156

Officers: Charles W. Missler, chairman & chief exec. officer; Phillip G. Halamandaris, president & chief operating officer; Jack B. Spencer, v.p.-finance & chief financial officer; John H. Brink, secretary.

Directors: H. K. Abajian, James C. Jordan, Jr., Charles W. Missler, Charles A. Von Urff, Bruce G. Rossiter, Phillip G. Halamandaris.

Area of Work: Engaged in the design, development and manufacture of highly technical electronic communications systems and devices for government and prime contractors and in the design and distribution of consumer electronic communication products.

Subsidiaries:

Resdel Engineering Corporation
300 East Live Oak Avenue
Arcadia, California 91006
(818) 445-5955

Engaged in the development and manufacture of government communications products; 20 watt S-band transmitters, miniature monitor receivers, microprinters, and 40 watt L-band strip line transmitters.

Sanbar Corporation
201 Technology Drive
Irvine, California 92718
(714) 729-1911

Develops and manufactures products for the point-to-point microwave markets and the emergent digital data/voice network markets.

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RSDL (NASDAQ)

Plant Footage:

1988	103,500 sq. ft.	1985	44,000
1987	N.A.	1984	44,000
1986	44,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income †
1988	$ 22,504,000	$ (8,332,000)
1987	17,108,000	1,822,000
1986	14,219,000	1,736,000
1985	8,584,000	192,000
1984	7,622,000	(2,067,000)

	No. of Com. Share +	Earn. per Share #†
1988	5,954,274	$ —
1987	4,288,867	0.40
1986	4,227,330	0.39
1985	4,138,255	0.05
1984	4,137,155	—

(Loss)
† Including extraordinary gains of $838,000 ($0.18 per share) in 1987, $799,000 ($0.18 per share) in 1986 and $68,000 ($0.02 per share) in 1985.
+ Adjusted to reflect stock dividend.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	10%	

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 3,695,000	$ 0.62
1987	2,345,000	0.55
1986	743,000	0.18

‡ Adjusted to reflect stock dividend

Income Account *

Year ended June 30	1988	1987
Net sales	$ 22,504,000	$ 17,018,000
Cost of sales	20,266,000	10,962,000
Expenses	8,792,000	3,600,000
Research & devel.	873,000	342,000
Interest expense	441,000	231,000
Other expense (income)	767,000	(42,000)
Inc. (loss) bef. taxes	$ (8,635,000)	$ 2,015,000
Income taxes (credit)	(303,000)	1,031,000
Net Income (Loss)	$ (8,332,000)	$ 984,000
Extraord. gain	—	838,000
Net Income (Loss) & extraord. gain	$ (8,332,000)	$ 1,822,000

* Included in Costs and Expenses, Depreciation and Amortization: $868,000 in 1988 and $337,000 in 1987.

Assets

As of June 30	1988	1987
Cash	$ 819,000	$ 159,000
Accts. receiv., net	4,128,000	2,854,000
*Inventories	6,808,000	3,695,000
Prepaid expenses	551,000	298,000
Current Assets	$ 12,306,000	$ 7,006,000
#Fixed assets	1,846,000	1,015,000
Net assets transferred under contract of sale	1,000,000	—
Other assets	1,190,000	303,000
Goodwill	8,339,000	—
Total Assets	$ 24,681,000	$ 8,324,000

Liabilities

	1988	1987
Short-term debt	$ 3,042,000	$ 2,200,000
Accts. payable	4,488,000	1,198,000
Deferred state inc. taxes	—	303,000
Accured payroll	698,000	565,000
Other accurals	3,034,000	199,000
Curr. Liabilities	$ 11,262,000	$ 4,465,000
Long-term debt	1,702,000	1,514,000
Redeem. pref. stock	8,022,000	—
+Common stock	2,977,000	2,144,000
Add. paid-in capital	19,642,000	9,661,000
Retained earnings (deficit)	(17,492,000)	(9,160,000)
Note receiv-Emp. stock trust	(1,330,000)	(300,000)
Unamort. restricted stock plan expense	(102,000)	—
Total Liabilities & Shareholders' Equity	$ 24,681,000	$ 8,324,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Sales	—	11.84
%Net Income to Sales	—	5.78
%Net Income to Equity	—	41.96
Sales to Inventories	3.31	4.61
Debt to Equity	1.28	1.58
Working Capital	$ 1,044,000	$ 4,241,000
Current Ratio	1.09	2.53
Shareholders' Equity	$ 3,695,000	$ 2,345,000

Research, Incorporated

P.O. Box 24064
Minneapolis, Minnesota 55424
(612) 941-3300
FAX: (612) 941-3628

Corporate offices:
6425 Flying Cloud Drive
Eden Prairie, Minnesota 55344

Officers: A. E. Abramson, chairman of the board; F.T. Renshaw, v.p.; G.W. Sangster, v.p.; K.C. Wilson, v.p.; C.C. Johnson, v.p.; D.K. Bohm, v.p.; G.E. Magnuson, secretary.

Directors: A.E. Abramson, chairman; J.R. Anderson, K.G. Anderson, G.E. Magnuson, F.T. Renshaw, C.G. Schiefelbein.

Areas of Work: Designs, manufactures and sells electrical/electronic instruments, and communications and heating devices to a broad range of industrial customers. These include users of process control instrumentation, radiant energy equipment and computer terminals.

Divisions:

Assembly Automation Division
Minneapolis, Minnesota 55424
Designs and builds conveyorized heating systems used in the fabrication and assembly of electronic printed circuits.

Controls Division
Minneapolis, Minnesota 55424
Supplier of control products, systems and services to selected industrial markets.

Radiant Energy Division
Minneapolis, Minnesota 55424
Supplies heating devices and systems for materials testing, stress relief and metal forming in the aerospace industry, for curing of coatings used on industrial and automotive products and for plastic forming and manufacturing.

Teleray Division
Minneapolis, Minnesota 55424
Designs and manufactures innovative computer terminals intended for use with selected large computer systems.

Transfer Agent(s):

Norwest Bank of Minnesota N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RESR (NASDAQ)

Number of Employees:

1989 210
1988 223
1987 218
1986 243
1985 264

Plant Footage:

1989 . . . . 90,000 sq. ft.
1988 90,000
1987 90,000
1986 90,000
1985 90,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 23,077,300	$ 911,200
1988	20,377,400	793,600
1987	21,063,500	921,900
1986	19,116,900	1,277,500
1985	23,487,200	1,712,400

	No. of Com. Shares	Earn. per Share #
1989	1,148,693	$ 0.71
1988	1,648,693	0.48
1987	1,648,693	0.56
1986	1,640,133	0.78
1985	1,636,560	1.05

# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1989	%	1988	%
Process control instruments	$10,437,000	45 %	$6,825,000	33 %
Radiant heating devices	9,324,000	41	9,090,000	45
Telecommunications terminals	3,316,000	14	4,462,000	22
Total	$23,077,000	100 %	$20,377,000	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.44	—	—
1988	0.44	—	
1987	0.40	—	—
1986	0.40	—	—
1985	0.54	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 8,243,296	$ 7.18
1988	14,703,700	8.92
1987	14,635,500	8.88
1986	14,282,100	8.71
1985	13,630,900	8.33

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 23,077,298	$ 20,377,372
Cost of sales	13,409,751	11,099,890
Expenses:		
Selling	5,220,643	5,335,842
Res. & develop.	2,340,052	2,544,055
Gen. & adm.	834,297	761,546
Other income	(25,633)	(407,573)
Income before taxes	$ 1,298,188	$ 1,043,612
Income taxes	387,000	250,000
Net Income	$ 911,188	$ 793,612

* Included in Costs and Expenses, Depreciation and Amortization: $288,915 in 1989 and $417,951 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 243,210	$ 60,148
Short-term investments	—	6,679,327
Accts. receiv., net	4,658,574	4,188,950
* Inventories	5,715,286	5,388,077
Prepaid expenses	35,118	59,180
Current Assets	$ 10,652,188	$ 16,375,682
# Fixed assets	1,404,578	1,553,900
Total Assets	$ 12,056,766	$ 17,929,582

Liabilities

Accts. payable	$ 1,747,594	$ 1,582,921
Short-term loans	300,000	—
Accruals:		
Payroll	741,995	525,907
Profit sharing	240,000	200,000
Prod. warranties	150,000	150,000
Other	391,744	384,931
Income taxes	242,137	382,116
Curr Liabilities	$ 3,813,470	$ 3,225,875
+ Common stock	574,346	824,346
Add. paid-in capital	200,305	210,930
Retained earnings	7,468,645	13,668,431
Total Liabilities & Shareholders' Equity	$ 12,056,766	$ 17,929,582

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

% Income bef Taxes to Sales	5.63	5.12
% Net Income to Sales	3.95	3.89
% Net Income to Equity	11.05	5.40
Sales to Inventories	4.04	3.78
Working Capital	$ 6,838,718	$ 13,149,807
Current Ratio	2.79	5.08
Shareholders' Equity	$ 8,243,296	$ 14,703,707

Ripley Company, Inc.

46 Nooks Hill Road
P.O. Box E
Cromwell, Connecticut 06416
(203) 635-2200
FAX: (203) 635-3631

Officers: Dale E. Wolfe, chairman of the board, president & chief executive officer; Robert J. Glass, treasurer & chief financial officer; S. Michael Schatz, secretary; Alvah A. Russell, Jr., v.p..

Directors: Dale E. Wolfe, Douglas Kellogg, James E. Griffin, Richard T. Gibbons, Arhtur W. Frank, Jr., Sebastian DiStefano, H.I. Thayer, Jr..

Areas of Work: Specializes in the manufacture of cable preparation tools, blowers, and specialized assembly systems for users of small screws.

Subsidiary:

Stick-Screw Manufacturing Co.
Willimantic, Connecticut
Manufactures proprietary, semi-automatic small part fastening and assembly systems.

Transfer Agent(s):

Mellon Securities Transfer Services
East Hartford, Connecticut

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RIPY (NASDAQ)

Plant Footage:

1989 . . . . 47,000 sq. ft.
1988 47,000
1987 47,000
1986 47,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 5,734,264	$ (529,194)
1989	6,698,228	47,635
1988	6,242,313	357,946
1987	5,128,296	205,630
1986	5,703,015	402,486

	No.of Com. Shares ‡	Earn. per Share ‡
1990	591,219	$ —
1989	592,642	0.08
1988	589,219	0.61
1987	598,000	0.34
1986	591,406	0.68

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Electronics & electrical products	$ 2,914,976	$ 3,870,975
Tooling & assembly syst.	2,819,288	2,827,253
Total	$ 5,734,264	$ 6,698,228

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.10	—	—
1989	0.20	—	
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 2,676,800	$ 4.53
1989	3,265,116	5.51
1988	3,326,594	5.65
1987	3,081,567	5.15
1986	2,988,708	5.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Feb.28	1990	1989
Net sales	$ 5,734,264	$ 6,698,228
Cost of sales	4,629,391	4,707,551
Expenses	1,851,279	1,780,800
Interest income	(8,362)	(15,257)
Interest expense	46,150	52,499
Inc. (loss) bef. taxes	$ (784,194)	$ 172,635
Income taxes (credit)	(255,000)	125,000
Net Income (Loss)	$ (529,194)	$ 47,635

* Included in Costs and Expenses, Depreciation & Amortization: $160,335 in 1990 and $143,929 in 1988.

Assets

As of Feb. 28	1990	1989
Cash	$ 16,185	$ 77,721
Accts. receiv. net	708,006	964,057
*Inventories	1,616,209	2,149,227
Prepaid expenses & deferred charges	22,685	36,697
Current Assets	$ 2,641,665	$ 3,240,504
#Fixed assets	1,294,775	1,227,409
Other assets	357,227	315,402
Total Assets	$ 4,293,667	$ 4,783,315

Liabilities

Short-term borrowings	$ 335,000	$ —
Notes payable	222,719	184,753
Accts. payable	513,406	562,724
Accruals	251,704	336,897
Curr. Liabilities	$ 1,322,829	$ 1,084,374
Notes payable	—	175,000
Cap. lease oblig.	—	47,719
Deferred inc. taxes	136,461	136,461
Unfunded pension liability	157,577	74,645
+Common stock	297,975	297,975
Add. paid-in capital	407,129	407,129
Retained earnings	2,019,006	2,607,322
Treasury stock	(47,310)	(47,310)
Total Liabilities & Shareholders' Equity	$ 4,293,667	$ 4,783,315

* At lower cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.58
%Net Income to Sales	—	0.71
%Net income to Equity	—	1.46
Sales to Inventories	3.55	3.12
Debt to Equity	0.21	0.12
Working Capital	$ 1,318,836	$ 2,156,130
Current Ratio	2.00	2.99
Shareholders' Equity	$ 2,676,800	$ 3,265,116

RMS International, Inc.

621 Route 46
Hasbrouck Heights, New Jersey 07604
(201) 288-8833
FAX: (201) 288-1625

Officers: Joseph F. Bradway, Jr., chairman of the board & chief executive officer; Gary M. Napolitano, v.p.-finance; Fred Mucciardi, v.p.-operations.

Directors: Joseph F. Bradway, Jr., chairman; Arthur A. Fink, John de Elorza, William A. Searles, Charles T. Conner.

Areas of Work: Designs, manufactures, imports and distributes radio frequency (RF) passive devices, and related products for the cable television connectors, converters industry. Manufactures a line of stand-by, AC regulated and inverter power supplies for the cable TV industry.

Subsidiaries:

Poleline Corporation
Distribution operation that supplies construction materials to the cable television industry.

Kenyon Magnetics, Inc.
Manufactures transformers and other allied products.

Color Optic Displays, Inc.
Markets clear plastic literature displays.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: RMS

Sales & Earnings

	Net Sales	Net Income
1989	$ 12,551,979	$ (1,275,970)
1988	11,770,265	118,226
1987	12,830,132	74,885
1986	12,367,192	(803,435)
1985	14,977,384	(1,130,523)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	1,558,345	$ —
1988	1,558,345	0.08
1987	1,558,345	0.05
1986	1,558,345	—
1985	1,587,692	—

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 2,126,528	$ 1.36
1988	3,402,498	2.18
1987	3,284,272	2.11
1986	3,209,387	2.06
1985	4,012,822	2.53

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 12,551,979	$ 11,770,265
Cost of sales	9,232,687	9,215,187
Expenses	4,247,438	3,284,779
Interest expense	378,320	428,042
Gain on sale of fixed assets	(10,350)	(1,196,366)
Gain on purch. of deben.	—	(3,811)
Interest & other income	(20,146)	(75,792)
Net Income (Loss)	$ (1,275,970)	$ 118,226

* Included in Costs and Expenses, Depreciation and Amortization: $133,633 in 1989 and $111,098 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ —	$ 648,041
Accts. & notes receiv., net	1,371,976	1,611,916
*Inventories	1,351,428	3,871,657
Prepaid exp. & other assets	122,881	136,746
Current Assets	$ 2,846,285	$ 6,268,360
#Fixed assets	234,971	245,805
Goodwill	53,763	45,368
Non-competition agree.	352,500	442,500
Intangibles	210,395	246,954
Other assets	56,320	86,022
Total Assets	$ 3,754,234	$ 7,335,009

Liabilities

Notes payable - bank	$ 176,892	$ 1,049,428
Notes payable - other	—	600,000
Long-term debt, curr.	769,000	435,600
Accts. payable	420,062	671,116
Accruals	204,094	331,134
Curr. Liabilities	$ 1,570,048	$ 3,087,278
Long-term debt	—	769,400
Other liabilities	57,658	75,833
+Common stock	130,745	130,745
Add. paid-in capital	4,531,153	4,531,153
Retained earn. (deficit)	(2,148,952)	(872,982)
Treasury stock	(386,418)	(386,418)
Total Liabilities & Shareholders' Equity	$ 3,754,234	$ 7,335,009

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.08 par value.

Statistical Summary

%Net Income to Sales		—		1.00
%Net Income to Equity		—		3.47
Sales to Inventories		9.29		3.04
Debt to Equity		0.44		0.84
Working Capital	$	1,276,237	$	3,181,082
Current Ratio		1.81		2.03
Shareholders' Equity	$	2,126,528	$	3,402,498

Rockwell International Corporation

600 Grant Street
Pittsburgh, Pennsylvania 15219
(412) 565-2000
FAX: (412) 565-7388

2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

Officers: Donald R. Beall, chairman of the board & chief executive officer; Kent M. Black, exec. v.p. & chief operating officer; Robert L. Cattoi, sr. v.p.-research and engineering; Lee H. Cramer, v.p. & treasurer; Robert A. dePalma, sr. v.p.-finance & planning & chief financial officer; Charles H. Harff, sr. v.p., gen. counsel & secretary; James A. McDivitt, sr. v.p.-government relations; Richard W. Bohlen, sr. v.p.-operations; Sam F. Iacobellis, exec. v.p. & chief operating officer; George W. Jeffs, v.p. & president-strategic defense & technology; Lawrence J. Komatz, v.p. & controller; Robert H. Murphy, sr. v.p.-management & organization; Arthur P. Ronan, v.p. & president-Automotive; Charles C. Stoops, Jr., general tax counsel; William A. Sante, II, general auditor; Richard R. Mau, sr. v.p.-communications; J. Tracy O'Rourke, exec. v.p. & chief exec. officer- Allen Bradley Company, Inc.; Charles R. Vennel, v.p.-human resources; William M. Barnes, v.p.-business development & planning; John B. Fallon, sr. v.p.-international.

Directors: Robert Anderson, chairman; Donald R. Beall, Richard M. Bressler, Robert A. dePalma, Robin Chandler Duke, J. Clayburn La Force, Jr., Bruce M. Rockwell, Ross D. Siragusa, Jr., William S. Sneath, Joseph F. Toot, Jr., Harrington Drake, John J. Creedon, William T. McCormick, Jr., John D. Nichols.

Areas of Work: The Company is a multi-industry corporation engaged in research and development, and the manufacture and sale of many products for commercial and government markets. The Company is organized into four business segments: Aerospace, Electronics, Automotive and Graphics.

Business Segments and Subsidiaries:

Aerospace

The principal space activity is the Space shuttle program for NASA. The Company has developed and is producing the shuttle orbiter and, through its Rocketdyne Division, the orbiter main engines. It also assists NASA in the integration of the overall space transportation system. The Rocketdyne Division works under a United States Air Force contract for the engineering development of the Peacekeeper missile; develops and manufactures large liquid rocket engines for space and military applications and small rocket engines for altitude and reentry control.

The Company also engages in various research and development activities, such as those related to advanced space-based surveillance systems and directed energy weapons, and technology development and systems analysis efforts, such as those relating to advanced military aircraft.

North American Space Operations
2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

North American Aircraft Operations
100 N. Sepulveda Boulevard
El Segundo, California 90245
(213) 647-1000

Electronics

This division manufactures high technology electronic equipment and systems for military navigation, command, control, communications and intelligence, missile systems and other special applications for the United States and foreign governments; also manufactures a broad spectrum of radio transceivers for various military applications that range from very low frequency to extremely high frequency. These products are combined with other ancillary items to form integrated command, control, communications and intelligence systems.

The division is the principal supplier of the inertial navigation systems for the Navy's ballistic missile and attack submarine fleets, supplies component and services related to the guidance and control systems of the Minuteman intercontinental ballistic missile fleet and works under contracts for both ground and airborne high frequency communication equipment for the modernization programs for the United States and NATO forces.

In commercial electronics, the Company supplies avionics, telecommunications and semiconductor products and systems to commercial and government customers worldwide. Avionics supplies communications, navigation, flight control, and other avionics systems to the air transport, general aviation and government markets. Telecommunication products include transmission and switching systems and telephone products which are supplied to a broad range of customers.

Allen-Bradley Company
Milwaukee, Wisconsin

Produces programmable controllers, standard control products, computer numerical control systems, drives and passive electronic components.

Electronics Corporation of America
Waltham, Massachusetts

Manufactures photoelectric controls and flame monitoring systems.

Design Engineering Laboratories
Huntington Beach, California

Defense electronics.

Graphics

The Graphic Systems Division manufactures and sells high-speed printing presses and related equipment and principally for printing newspapers. Products include the Metroliner press designed for large metropolitan daily newspapers and the HV, Urbanite and community presses designed for medium size daily and weekly newspapers and commercial printers. The division also manufactures and sells automatic mailroom equipment and purchases for resale a line of commercial sheetfed presses and related equipment.

Rockwell Graphic Systems, Inc.
Obertshausen, West Germany

Rockwell Graphic Systems Limited
Preston, United Kingdom

Automotive

Automotive businesses' principal activity is the manufacture and sale of various proprietary components for heavy-duty vehicles used on and off the highway. Automotive designs and manufactures a broad line of axles for heavy-duty applications for on- and off-highway vehicles, including single and tandem drive axles, driving and non-driving front axles, trailer axles, rigid and steering planetary axles and driving steering axles. The businesses design and manufacture a complete line of heavy-duty brakes and brake assemblies and components for use in the transportation, construction, mining, agriculture, forestry and industrial fields. The businesses also manufacture and sell special drives and transmissions, universal joints and drivelines, gear boxes, springs and plastic hood, door and fender assemblies for these vehicles.

The Automotive businesses also manufacture and sell springs and plastic components and accessories for light trucks and passenger cars, and steel and case aluminum wheels, wheel covers, sun roofs, window regulators, door latches and door locking systems for passenger cars. In addition, the businesses manufacture and sell large steel castings, including those used in military cast armor programs and diesel locomotives.

The Company's automotive products are nearly all sold directly to manufacturers of original equipment, some of which are also competitors in that they produce for their own use many of the products manufactured by the Automotive businesses.

Automotive Businesses
2135 West Maple Road
Troy, Michigan 48084
(313) 435-1000

Rockwell Standard of Australia Ltd.
Melbourne, Australia

Wilmot Breeden (Australia) Pty. Ltd.
Preston, Australia

Rockwell do Brasil Industria e Commercio Ltda.
Limeira, Brazil

Rockwell International of Canada, Ltd.
Bracebridge, Chatham, Gananoque, Lacolle, Milton, Mississaugua, Tilbury, Canada

Compagnie Industrielle de Mecanismes S.A.
Levallois, Perret Cedex, France

Rockwell International S.A.
Rungis Cedex, France

Rockwell Golde GmbH
Frankfurt, West Germany

Rockwell Bremsen
Geschaftsbereich der Rockwell-Gold GmbH
Alyeneau/Unterfranken, West Germany

Rockwell Golde Italiana SpA
Como, Italy

Rockwell International Manufacturing Pte. Ltd.
Singapore

Rockwell-Maudslay Limited
Alcester, United Kingdom

Wilmot Breeden Limited
Birmingham, United Kingdom

Rockwell Thompson Limited
Wolverhampton, United Kingdom

Rockwell CVC S.p.A.
San Mauro Torinese, Italy

Rockwell CVC S.p.A.
Cameri, Italy

Communication Machinery Corporation

Supplies local area networks.

SOMA Europe Transmissions S.A.
France

Supplies components for axles and transmissions for off-highway construction vehicles.

Transfer Agent(s):

Mellon Bank, N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230
(common stock; $4.75 convertible preferred, Series A; $1.35 convertible preferred, Series B)

120 Broadway
33rd floor
New York, New York 10271

The First National Bank of Boston
Boston, Massachusetts 02102
(common stock & $4.75 convertible preferred, Series A)

The First National Bank of Chicago
Chicago, Illinois 60670

National Bank of Detroit
Troy, Michigan 48098

First Interstate Bank of California
Los Angeles, California 90051

The Royal Trust Company
Toronto, Ontario M5W 1P9 Canada

Stock Exchange(s): New York, Boston, Midwest, Pacific, Philadelphia, Toronto, Basel, Geneva, Lausanne, Zurich, Frankfurt, London, Tokyo.

Ticker Symbol: ROK (U.S. exchanges)

Number of Employees:

1989	108,700
1988	112,160
1987	116,148
1986	121,194
1985	123,266

N.A. - Not Available

Sales & Earnings

	Net Sales † (000's)	Net Income (000's)
1989	$ 12,518,100	$ 734,900
1988	11,946,300	811,900
1987	12,123,400	635,100
1986	12,295,700	611,200
1985	11,337,600	595,300

	No. of Com. Shares #	Earn. per Share #
1989	255,600,000	$ 2.87
1988	266,600,000	3.04
1987	280,000,000	2.27
1986	296,500,000	2.06
1985	297,500,000	2.00

† Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Electronics	$ 4,914,000	$ 4,522,000
Aerospace	3,909,000	3,971,000
Automotive	2,424,000	2,154,000
Graphics	1,110,000	808,000
Divested businesses	161,000	491,000
Total	$ 12,518,000	$ 11,946,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.750	—	—
1988	0.705	—	
1987	0.645	—	2-for-1
1986	0.580	—	—
1985	0.530	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1989	$ 3,968,200	$ 15.88
1988	3,682,300	14.10
1987	3,302,700	12.01
1986	3,148,600	10.94
1985	2,931,800	9.82

‡ After following for Series A and Series B preferred stock at total liquidation value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 12,518,100	$ 11,946,300
Gain on sale of businesses	164,300	16,700
Other income	115,000	148,500
Total income	$ 12,797,400	$ 12,111,500
Cost of sales	9,986,200	9,508,800
Expenses	1,472,800	1,439,200
Interest expense	132,700	107,800
Income before taxes	$ 1,205,700	$ 1,055,700
Income taxes	470,800	243,800
Net Income	$ 734,900	$ 811,900

• Included in Costs and Expenses, Depreciation: $496,500,000 in 1989 and $495,300,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash	$ 332,400	$ 900,100
Accts. & notes receiv., net	2,137,200	2,234,600
•Inventories	1,574,100	1,526,700
Other curr. assets	323,100	290,700
Current Assets	$ 4,366,800	$ 4,952,100
#Fixed assets	2,594,200	2,640,900
Intangibles	1,094,600	1,053,600
Other assets	883,200	659,400
Total Assets	$ 8,938,800	$ 9,306,000

Liabilities
(000's)

Short-term debt	$ 769,500	$ 303,700
Accts. payable	1,069,300	1,014,500
Adv. pay. from cust.	393,700	410,900
Accrued compensation	489,900	478,100
Income taxes	113,200	1,070,700
Other curr. liab.	646,600	617,000
Curr. Liabilities	$ 3,482,200	$ 3,894,900
Long-term debt	552,100	745,300
Other liabilities	926,900	972,800
+Preferred stock	2,100	2,300
++Common stock	209,500	200,200
++Class A Common stock	69,900	79,400
Add. paid-in capital	108,600	101,900
For. curr. trans.	(15,900)	(19,400)
Retained earnings	4,237,100	3,716,200
Treasury stock	(633,700)	(387,600)
Total Liabilities & Shareholders' Equity	$ 8,938,800	$ 9,306,000

• At lower of cost (LIFO, FIFO or average) or market.
Less accumulated depreciation and amortization.
+ No par value. Series A, $4.75 cumulative; series B, $1.35 cumulative.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.63	8.84
%Net Income to Sales	5.87	6.80
%Net Income to Equity	18.48	21.98
Sales to Inventories	7.95	7.82
Debt to Equity	0.33	0.28
Working Capital	$ 884,600,000	$ 1,057,200,000
Current Ratio	1.25	1.27
Shareholders' Equity	$ 3,977,600,000	$ 3,693,000,000

Rogers Corporation

One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605
FAX: (203) 774-9630

Officers: Norman L. Greenman, president & chief exec. officer; Harry H. Birkenruth, sr. vice president-polymer products group; Richard C. Berry, sr. v.p.-technology; Aarno A. Hassell, v.p.-electronic materials group; William Schoppenhorst, v.p.-human resources; Stuart J. Safft, v.p.-finance; Robert M. Soffer, treasurer; David M. Elwood, clerk; Robert D. Wachob, v.p.-sales & marketing.

Directors: Harry H. Birkenruth, Wallace Barnes, Norman L. Greenman, Charles F. Spiro, Brage Golding, Leonid V. Azaroff, William R. Thurston, Mildred S. Dresselhaus, D. Bruce Merrifield, Donald J. Harper.

Areas of Work: The Company's operations consist of two segments: Interconnection Products, which are primarily interconnection circuits and components, keyboards, and microwave and circuit materials; and Polymer Products, including primarily molding materials, elastomeric products, polyurethane materials and components, and Durel electroluminescent lamps.

Divisions:

Molding Materials Division
Mill and Oakland Streets
Manchester, Connecticut 06040
(203) 646-5500
FAX: (203) 643-5162
Manufactures fiber reinforced thermosetting molding materials including phenolic and diallyl phthalate engineering plastics.

Poron/Composites Division-Composites Plant
One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605
Manufactures RT/duroid and R/flex.

Poron/Composites Division-Poron Plant
P.O. Box 158
E. Woodstock, Connecticut 06244
(203) 928-7931
Manufactures Poron PVC and polyurethane-based microcellular materials.

Polymer Products Group-Willimantic Division
Route 32
Willimantic, Connecticut 06226
(203) 423-6323
Manufactures Nitrophyl carburetor and fuel tank floats, Endur engineered parts and assemblies.

Bus Products Division - Interconnection Products Group
5750 East McKellips Road
Mesa, Arizona 85205
(602) 830-3370
Manufactures Mektron laminar power distribution bus bars, Quik/Bus conductors, and Strip/Bus bus strips.

Circuit Components Division - Interconnection Products Group
Mesa, Arizona
(602) 830-3370
Manufactures components mounted on printed circuit boards.

Flexible Interconnections Division
Dobson and Williams Field Road
Chandler, Arizona 85224
(602) 963-4684
Manufactures flexible circuits.

Circuit Materials Division - Interconnection Products Group
Dobson and Williamsfield Road
Chandler, Arizona 85224
(602) 963-4584
Manufactures R/flex materials for flexible circuit substrates and integrated circuit bonding tape carrier materials.

Microwave Materials Division
Microwave Products Group
Chandler, Arizona 85224
(602) 963-4584
Manufactures RT/duroid laminate materials for microstrip circuits, stripline circuits, and microwave antennas.

Soladyne Division of Microwave Products Group
San Diego, California
Manufactures microwave stripline and microstrip circuits and bonded assemblies.

Subsidiaries:

R/MAT, Inc. (80%-owned)
Manchester, Connecticut

Rogers Foreign Sales Corporation (FSC)
Rogers, Connecticut 06263
(203) 774-9605

Rogers Mexicana, S.A. de C.V.
Agua Frieta, Sonora, Mexico

Rogers Electronica, S.A. de C.V.
Monterrey, Nuevo Leon, Mexico

Rogers Japan Inc.
Tokyo, Japan

Mektron, N.V.
188 Afrikalaan
Ghent, Belgium

Mektron GmbH
Weiterstadt, West Germany

Mektron France S.A.
Rungis and Chateau Gontier, France

Mektron Circuits Systems, Ltd.
Leatherhead, United Kingdom

Joint Ventures:

Durel Corporation
Tempe, Arizona
Manufactures Durel electroluminescent lamps.

Rogers Inoue Corporation
Nagoya, Japan
Manufactures Endur-C products and Poron cellular polyurethane materials.

Smartflex Systems
Tustin, California
Monterrey, Nuevo Leon, Mexico
Produces smartflex assemblies.

Rogers Coselbra Industrial Ltda.
Sao Paulo, Brazil
Produces Q/PAC power distribution elements, Mini/Bus printed circuit bus bars, and Micro/Q decoupling capacitors, microwave stripline circuits and keyboards.

Transfer Agent(s):

The Connecticut Bank and Trust Company, N.A.
Stock Transfer Department
One Constitution Plaza
Hartford, Connecticut 06115

Stock Exchange(s): American, Pacific

Ticker Symbol: ROG

Number of Employees:

1989	3,152	1986	2,515
1988	3,089	1985	2,558
1987	2,738		

Plant Footage:

1989	1,445,000 sq. ft.	1986	1,283,100
1988	1,441,000	1985	1,200,800
1987	1,363,100		

Sales & Earnings

	Net Sales #	Net Income
1989	$ 174,948,000	$ 1,607,000
1988	162,476,000	1,015,000
1987*	145,314,000	3,377,000
1986	128,777,000	2,327,000
1985	125,299,000	772,000

	No of Com. Shares	Earn. per Share †
1989	3,063,219	$ 0.53
1988	3,000,097	0.33
1987*	2,981,397	1.13
1986	2,969,071	0.78
1985	2,957,502	0.26

* 53 weeks.
# Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	
1987	0.12	—	—
1986	0.12	—	—
1985	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 55,763,000	$ 18.20
1988	53,132,000	17.71
1987	53,308,000	17.88
1986	47,831,000	16.11
1985	44,401,000	15.01

Income Account *

Year ended	12/31/89	1/1/89
Net sales	$ 174,948,000	$ 162,476,000
Cost of sales	137,299,000	127,802,000
Expenses	32,649,000	31,939,000
Other income	(739,000)	(1,468,000)
Interest expense	3,507,000	2,755,000
Inc. bef. taxes	$ 2,232,000	$ 1,448,000
Income taxes	625,000	433,000
Net Income	$ 1,607,000	$ 1,015,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,604,000 in 1989 and $9,580,000 in 1988.

Assets

As of	12/31/89	1/1/89
Cash & cash equiv.	$ 5,431,000	$ 5,007,000
Accts. receiv., net	29,047,000	23,973,000
Accts. receiv.-joint ventures	2,440,000	3,923,000
*Inventories	20,601,000	19,028,000
Income taxes	627,000	885,000
Prepayments	680,000	821,000
Current Assets	$ 58,826,000	$ 53,637,000
#Fixed assets	62,381,000	61,160,000
Other investments	1,758,000	2,321,000
Intangible pension asset	1,091,000	539,000
Other assets	2,625,000	2,711,000
Total Assets	$ 126,681,000	$ 120,368,000

Liabilities

Notes payable	$ 6,286,000	$ 4,781,000
Long-term debt, curr.	2,592,000	2,542,000
Accts. payable	14,119,000	10,470,000
Accrued payroll	6,507,000	6,278,000
Accrued interest	1,076,000	1,130,000
Other accruals	691,000	1,160,000
Other taxes	1,298,000	1,082,000
Curr. Liabilities	$ 32,569,000	$ 27,443,000
Long-term debt	30,647,000	33,027,000
Deferred inc. taxes	7,001,000	6,537,000
Pension liability	701,000	229,000
+Common stock	3,063,000	3,000,000
Add. paid-in capital	19,403,000	18,409,000
Retained earnings	32,419,000	31,175,000
Equity trans. adjust.	878,000	548,000
Total Liabilities & Shareholders' Equity	$ 126,681,000	$ 120,368,000

* At lower of cost (standard costs which approx. actual cost) or market. Polymer Products divisions are valued at lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to sales	1.28	0.89
%Net Income to Sales	0.92	0.62
%Net Income to Equity	2.88	1.91
Sales to Inventories	8.49	8.54
Debt to Equity	0.71	0.20
Working Capital	$ 26,257,000	$ 26,194,000
Current Ratio	1.81	1.95
Shareholders' Equity	$ 55,763,000	$ 53,132,000

Rohr Industries, Inc.

Foot of H Street
P.O. Box 878
Chula Vista, California 92012-0878
(619) 691-4111
FAX: (619) 691-3030

Officers: Robert H. Goldsmith, chairman & chief executive officer; David J. Ruggles, sr. v.p. & chief financial officer; Richard W. Madsen, v.p., general counsel & secretary; William Billingslea, Jr., corp. counsel & asst. secretary; Ronald M. Miller, v.p. & treasurer; Nicholas A. Bucur, v.p.-customer support; Robert G. Daly, v.p.-operations; John R. Johnson, v.p.-planning; Alek A. Mikolajczak, v.p.-technology & new products; Jack Y. Peckenpaugh, v.p.-materiel; Donald M. Purdy, v.p.-commercial business; David L. Canedo, v.p.-quality & product assurance; Alvin L. Majors, v.p. & controller; R.W. Difley, v.p.-human resources; Jean-Pierre Rouziere, president & dir. gen.-Rohr France S.A.; Graydon A. Wetzler, v.p.-information systems; David R. Watson, v.p. & gen. mgr., Rohr Riverside; Keith Gentry, v.p.-components management; Jay E. Hawley, v.p.-government business; E. Patrick Burke, v.p.-systems management; James A. Goings, v.p.-manufacturing-Chula Vista; Richard J. Warters, v.p.-engineering; Elaine K. Mills, mgr.-corp. stock records & asst. secretary.

Directors: H. W. Todd, chairman; Wallace W. Booth, K. Robert Hahn, Wayne M. Hoffman, Robert H. Goldsmith, Jack D. Steele, Eugene E. Covert, James J. Kerley, Wallace Barnes.

Areas of Work: The Company is an aerospace systems designer and manufacturer, producing components for commercial, military, and business aircraft and for solid rockets. Principal products include engineering services; engine nacelles, which are the pods that surround an aircraft's engines; thrust reversers, which are part of the nacelle system and assist in the deceleration of jet aircraft after landing; noise suppression systems; non-rotating engine components; solid rocket motor casings and nozzles and insulated booster casings for space launch vehicles.

Subsidiaries:

Rohr Aero Services, Inc.
Fairhope, Alabama
Repair and modification of commercial and business jet nacelles and thrust reversers.

Rohr France S.A.
Toulouse/, France
Final assembly of engine subsystems and nacelles for European-owned aircraft.

Rohr International Sales Corp.
Sales support for spare parts outside the U.S.

Rohr Credit Corp.
Finance subsidiary.

Transfer Agent(s):

The First Chicago Trust Co. of New York
Chicago, Illinois & New York

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: RHR (New York and Pacific)

Number of Employees:

1989	12,400	1987	10,300
1988	11,000	1986	8,400

Plant Footage:

1989	5,702,000 sq. ft.	1987	4,789,000
1988	5,614,000	1986	4,300,000

Sales & Earnings x

	Net Sales	Net Income
1989	$ 1,044,677,000	$ 33,480,000
1988	907,052,000	32,473,000
1987	665,870,000	26,899,000
1986	626,711,000	47,318,000
1985	592,799,000	47,306,000

	No. of Com. Shares #	Earn. per Share ‡
1989	17,670,664	$ 1.90
1988	17,561,775	1.85
1987	17,694,898	1.53
1986	17,533,686	2.70
1985	17,456,460	2.89

x Restated to reflect change in accounting method to comply with SFAS No. 94, "Consolidation of all majority-owned subsidiaries".
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Aircraft products	$ 955,885,000	$ 808,406,000
Space products	88,792,000	98,646,000
Total	$ 1,044,677,000	$ 907,052,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 412,387,000	$ 23.34
1988	374,689,000	21.34
1987	345,768,000	19.54
1986	312,731,000	17.84
1985	264,333,000	15.14

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended July 31	1989	1988‡
Net sales	$ 1,044,677	$ 907,052
Cost of sales	868,988	756,185
Expenses	39,863	35,473
Taxes	35,946	30,871
Depreciation & amortization	24,836	23,374
Interest expense	31,960	25,758
Interest income	(2,996)	(9,182)
Income before taxes	$ 46,080	$ 44,573
Income taxes	12,600	12,100
Net Income	$ 33,480	$ 32,473

‡ Restated.

Assets
(000's)

As of July 31	1989	1988‡
Cash	$ 51,477	$ 86,533
Accts. receiv., net	174,271	131,815
*Inventories	632,816	463,238
Prepaid expenses	19,836	13,090
Current Assets	$ 878,400	$ 694,677
#Fixed assets	204,911	188,306
Investment in leases	81,378	87,734
Total Assets	$ 1,164,689	$ 970,717

Liabilities
(000's)

	1989	1988‡
Short-term debt	$ 60,000	$ —
Long-term oblig., curr.	5,690	9,702
Accts. payable	159,391	119,817
Accrued payroll	50,877	45,319
Income taxes	46,639	31,582
Curr. Liabilities	$ 322,597	$ 206,420
Deferred inc. taxes	60,278	53,623
Long-term debt	104,427	70,985
Subord. deben.	265,000	265,000
+Common stock	17,671	17,562
Add. paid-in capital	96,955	92,846
Retained earnings	297,761	264,281
Total Liabilities & Shareholders' Equity	$ 1,164,689	$ 970,717

‡ Restated.
* At lower of cost (average) or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.41	4.91
%Net Income to Sales	3.20	3.58
%Net Income to Equity	8.12	8.67
Sales to Inventories	1.65	1.96
Debt to Equity	0.41	0.22
Working Capital	$ 555,803,000	$ 488,257,000
Current Ratio	2.72	3.37
Shareholders' Equity	$ 412,387,000	$ 374,689,000

Rospatch Corporation

4301 Canal S.W.
Grandville, Michigan 49418
(616) 530-6300
FAX: (616) 530-3044

Mailing address:
P.O. Box 2738
Grand Rapids, Michigan 49501

Officers: Jones Y. Pharr, Jr., chairman; Paul V. Smith, chief operating officer; David E. Hoger, v.p..

Directors: Jones Y. Pharr, Jr., chairman; J. Grant Beadle, Ernest R. Seymour, Paul K. Gaston, Keith W. Vander-Hyde.

Areas of Work: The Company's wood products group manufactures ready-to-assemble furniture and stereo speaker cabinets for wholesale and consumer markets and applies wood-grain and opaque finishes to particleboard and hardboard used as alternatives to traditional wood & wood veneer products by manufacturers of television sets, stereo cabinets, office partitions & kitchen cabinets.

Divisions and Subsidiaries:

Wood Products Group

Jessco Division
Dowagiac, Michigan

Tiffin Enterprise, Inc
Tiffin, Ohio

Metatron, Ltd. (49% interest)
Tel-Aviv, Israel

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RPCH (NASDAQ)

*Electronics-related only.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 70,344,600	$ (15,619,600)
1988	66,388,000	3,341,000
1987	61,249,000	1,493,000
1986	52,144,000	(1,208,000)
1985	41,282,000	1,804,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,525,300	$ —
1988	2,519,100	1.33
1987	2,487,100	0.60
1986	1,963,996	—
1985	1,786,518	1.01

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	0.15	—	—
1986	0.60	—	—
1985	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 31,300,400	$ 12.39
1988	46,851,000	18.57
1987	43,014,000	17.34
1986	40,855,000	16.86
1985	29,487,000	16.76

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 70,344,600	$ 66,388,100
Cost of sales	57,079,300	51,660,200
Expenses	10,615,000	8,787,600
Interest expense	769,000	843,500
Gain on sale of fixed assets	(7,400)	(4,400)
Other income	(107,000)	(440,900)
Income before taxes	$ 1,995,700	$ 5,542,100
Income taxes	740,600	2,027,100
Income from cont. oper.	$ 1,255,100	$ 3,515,000
Loss from discont. oper	(16,874,700)	(173,600)
Net Income (Loss)	$ (15,619,600)	$ 3,341,400

* Included in Costs and Expenses, Depreciation: $1,574,300 in 1989 and $1,307,000 in 1988.

Rospatch Corporation

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 503,500	$ 755,100
Restric. comm. paper	7,000,000	—
Accts. receiv., net	13,300,300	12,425,700
*Inventories	8,862,100	12,052,000
Refundable taxes	650,000	386,500
Fut. inc. tax benefits	850,000	819,100
Notes receiv., curr	153,800	—
Prepaid expenses	394,500	388,600
Land & bldg. held for sale	3,392,000	—
Current Assets	$ 35,106,200	$ 26,827,000
#Fixed assets	15,682,600	11,346,300
Net assets-discont. oper.	—	28,497,200
Other assets	1,703,800	4,554,500
Total Assets	$ 52,492,600	$ 72,225,000

Liabilities

Bank overdraft	$ 1,150,300	$ —
Notes payable	3,520,200	—
Long-term debt, curr.	1,106,500	39,600
Accts. payable	2,462,600	1,916,500
Accrued payroll	2,046,400	2,216,600
Accrued income taxes	—	1,257,000
Other accruals	4,379,100	1,842,300
Curr. Liabilities	$ 14,665,100	$ 7,272,000
Long-term debt	5,120,200	15,726,700
Deferred inc. taxes	850,000	1,127,100
Other deferred liab.	556,900	248,100
+Common stock	2,526,900	2,522,300
Add. paid-in capital	28,352,400	28,288,100
Retained earnings	421,100	16,040,700
Total Liabilities & Shareholders' Equity	$ 52,492,600	$ 71,225,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	7.13
Sales to Inventories	7.94	5.51
Debt to Equity	0.35	0.34
Working Capital	$ 20,441,100	$ 19,555,000
Current Ratio	2.39	3.69
Shareholders' Equity	$ 31,300,400	$ 46,851,100

Safeguard Scientifics, Inc.

800- The Safeguard Building
435 Devon Park Drive
Wayne, Pennsylvania 19087
(215) 293-0600
FAX: (215) 293-0601

Officers: Warren V. Musser, chairman & chief exec. officer; Adolf A. Paier, president & chief operating officer; Charles A. Root, exec. v.p.; Delbert W. Johnson, v.p. & pres.-Pioneer Metal Finishing; Raymond H. Kraftson, v.p.-general counsel & secretary; Joseph F. Waterman, v.p.; Gary J. Anderson, exec. v.p.; Gerald M. Wilk, v.p.-finance; Michael W. Miles, corp. controller; Richard J. Giacco, assoc. general counsel; Robert P. Floyd, Jr., dir.-corp relations; W. Christopher Jesse, v.p.; John K. Kaiser, v.p..

Directors: Warren V. Musser, chairman; Adolf A. Paier, Vincent G. Bell, Jr., Alfred R. Berkeley, Lawrence Chimerine, Ted L. Edwards, Robert A. Fox, Peter Likins, John W. Poduska, Sr., Russell E. Palmer, Heinz Schimmelbusch.

Areas of Work: Current activities of the Company include distribution of microcomputers and related products and services; design, production and sale of office workstation systems, microcomputer software systems, telecommunications equipment, and specialty metal finishing; and ownership and management of commercial real estate.

Subsidiaries:

CenterCore, Inc. (62%-owned)
Designs, manufactures and markets space-efficient modular office furniture workstation systems designed to address the needs of electronically oriented offices and ergonomic seating. Also distributes high-density, mobile-aisle filing systems.

CompuCom Systems, Inc. (67%-owned)
Markets and distributes microcomputers, related peripheral equipment and software.

Unison Technologies, Inc. (93%-owned)
Mission Viejo, California
Develops, manufactures and markets products that provide supplemental power for personal computers.

Coherent Communications Systems Corporation (99%-owned)
Develops, manufactures and markets sophisticated communications conditioning equipment such as digital echo cancellers and acoustical cancellers, as well as data and voice multiplexer equipment, involving the integration of voice/data multiplexing and transmission, modems and telephone-telegraph transmission equipment.

Sanchez Computer Associates (39%-owned)
Malvern, Pennsylvania
Develops and markets proprietary computer software products for financial institutions.

Pioneer/Norelkote
Minneapolis, Minnesota; Green Bay, Wisconsin & Phoenix, Arizona
Provides a variety of metal finishes for aluminum and steel products.

Blue Chip Products, Inc. (24%-owned)
Manufactures and distributes remanufactured automotive parts, including water pumps, clutches, starters and alternators.

The Nichols Company (40%-owned)
Commercial real estate development company.

QVC Network (2%-owned)
Markets a variety of consumer products and services through a cable home shopping network.

Novell (5%-owned)
Designs, manufactures and markets a family of local area network and communication products which allow personal computers to share files, data and resources.

Rabbit Software Corporation (62%-owned)
Designs, develops, and markets data communications software products.

DDI Financial Systems, Inc. (20%-owned)
Provides financial management systems and specialized accounting software to financial institutions.

PictureWare, Inc. (38%-owned)
Develops, markets and sells image management software products for IBM PCs and compatibles.

Surgilase, Inc. (48%-owned)
Develops, markets and sell medium and high power carbon dioxide surgical lasers based on state-of-the-art "sealed tube" technology; also markets low power CO2 lasers used in out-patient facilities and the physician office environment.

Laser Communications, Inc. (55%-owned)
Designs, develops and produces laser products which have the ability to transmit and receive simultaneously electronic voice, video and data communications through the atmosphere for distances up to one kilometer.

Premier Systems, Inc. (51%-owned)
Markets a highly integrated trust accounting and securities processing systems for use by banks and investment managers.

Triangle Electronics Company (38%-owned)
Markets discounted software products via the computer.

Tangram Systems Corporation (75%-owned)
Develops and markets cooperative processing software that enables personal computers to interact effectively with large mainframe computers.

Micro Decisionware, Inc. (64%-owned)
Develops and markets software that allows a PC user to retrieve information from a mainframe and process it using standard PC applications programs.

Transfer Agent(s):

Mellon Bank (East) N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): New York

Ticker Symbol: SFE

Sales & Earnings

	Net Sales	Net Income †
1989	$ 383,484,000	$ 7,254,000
1988	264,179,000	7,249,000
1987	103,321,000	12,876,000
1986	67,515,000	7,109,000
1985	58,829,000	3,323,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	5,311,000	$ 1.37
1988	5,047,000	1.44
1987	5,041,000	2.55
1986	4,598,000	1.55
1985	4,450,000	0.75

† Including extraordinary gain of $1,378,000 ($0.30 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Information technology:		
Microcomputer syst.	$ 276,157	$ 171,534
Workstation systems	42,829	39,242
Data communications	23,186	14,724
Industrial services:		
PowerTech systems	18,400	40,342
Metal finishing	17,947	13,387
Commercial real estate	4,965	4,950
Total	$ 383,484	$ 284,179

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 65,889,000	$ 12.41
1988	63,597,000	12.60
1987	52,694,000	10.45
1986	34,429,000	7.49
1985	25,599,000	5.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Revenues:		
Net sales	$ 383,484	$ 284,179
Gains on sale of secur.	16,810	19,994
Other income	2,732	2,215
Total revenues	$ 403,026	$ 306,388

Cost of sales	256,310	218,380
Expenses	72,646	55,763
Depreciation & amortization	7,919	7,610
Interest expense	12,904	11,449
Gain on sale of PowerTech	(10,360)	—
Loss (inc.) from eq. invest.	9,363	(851)
Minority interest	1,654	1,489
Income before taxes	$ 12,090	$ 12,548
Income taxes	4,836	5,299
Net Income	$ 7,254	$ 7,249

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 3,770	$ 3,070
Accts. receiv., net	88,623	67,588
*Inventories	65,584	69,289
Other curr. assets	2,014	1,713
Current Assets	$ 159,991	$ 141,660
#Fixed assets	18,436	20,473
Commercial rl. estate	44,242	45,375
Investments	22,572	27,382
Notes receivable	4,453	4,447
Exc. of cost over assets acq.	30,786	19,717
Other assets	7,853	5,392
Total Assets	$ 288,333	$ 264,446

Liabilities
(000's)

Long-term debt, curr.	$ 3,407	$ 2,774
Accts. payable	47,808	37,680
Accruals	16,133	15,472
Income taxes	1,563	899
Curr. Liabilities	$ 68,911	$ 56,825
Long-term debt	89,094	75,867
Commercial rl. est. debt	45,417	44,906
Deferred inc. taxes	5,372	10,556
Minority interest	12,646	11,769
Other liabilities	1,004	926
+Common stock	547	547
Add. paid-in capital	26,244	26,284
Retained earnings	44,495	37,241
Treasury stock	(5,397)	(475)
Total Liabilities & Shareholders' Equity	$ 288,333	$ 264,446

* At lower of cost (FIFO) or market. Industrial services at LIFO, microcomputer systems at average cost.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.15	4.42
%Net Income to Sales	1.89	2.55
%Net Income to Equity	11.01	11.40
Sales to Inventories	5.85	4.10
Debt to Equity	1.40	1.24
Working Capital	$ 91,080,000	$ 84,835,000
Current Ratio	2.32	2.49
Shareholders' Equity	$ 65,889,000	$ 63,597,000

Sage Laboratories, Inc.

11 Huron Drive
East Natick Industrial Park
Natick, Massachusetts 01760-1314
(508) 653-0844
FAX: (508) 653-5671

Officers: Theodore S. Saad, president & chairman of the board; Carl A. Marguerite, exec. v.p. & treasurer; Anthony Cieri, v.p.-sales; Harry F. Chapell, v.p.-research & development; Robert P. Moncreiff, clerk.

Directors: Theodore S. Saad, Robert F. Elliott, Edward M. Scheu, Jr., Carl A. Marguerite, John E. Miller.

Areas of Work: Designs, manufactures,and markets specialized components (both active and passive) used in the transmission, reception, and modification of microwave energy. Such components include mixers, filters, hybrids, couplers, switches, rotary joints, attenuators and terminations.

Division:

Components Division
11 Huron Drive
Natick, Massachusetts 01760
(508) 653-0844

Subsidiaries:

Sage Laboratories Investment Corporation

Transfer Agent(s):

State Street Bank & Trust Co
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLAB (NASDAQ)

Number of Employees:

1989	39	1986	38
1988	41	1985	41
1987	40		

Plant Footage:

1989	20,000 sq. ft.	1986	20,000
1988	20,000	1985	13,000
1987	20,000		

Sales & Earnings

	Net Sales ‡	Net Income
1989	$ 6,749,621	$ 812,338
1988	5,646,715	564,448
1987	4,533,909	457,811
1986	5,428,945	838,398
1985	5,240,460	806,803

	No. of Com. Shares	Earn. per Share +
1989	396,155	$ 2.05
1988	395,455	1.38
1987	417,405	1.07
1986	448,905	1.80
1985	456,621	1.73

‡ Includes contract revenues.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	
1987	0.20	—	—
1986	0.20	—	—
1985	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 5,564,210	$ 14.02
1988	4,633,267	11.35
1987	4,308,386	10.07
1986	4,546,279	9.74
1985	4,062,989	8.70

Income Account*

Year ended June 30	1989	1988
Net sales & contract revenues	$ 6,749,621	$ 5,646,715
Cost of sales	3,335,121	2,768,246
Expenses	1,999,791	1,828,707
Oper. profit	$ 1,414,709	$ 1,049,762
Interest income	(247,727)	(159,763)
Dividend income	(46,939)	(48,599)
Interest expense	196,055	174,657
Loss (inc.) on property	(76,084)	25,461
Loss on market. secur.	162,066	96,558
Income before taxes	$ 1,427,338	$ 961,448
Income taxes	615,000	397,000
Net Income	$ 812,338	$ 564,448

* Included in Costs and Expenses, Depreciation and Amortization: $329,162 in 1989 and $401,330 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 10,996	$ 7,474
Short-term investments	3,192,749	2,345,385
Accts. receiv., net	1,571,340	1,061,804
*Inventories	1,017,487	854,371
Prepaid expenses	61,845	82,036
Current Assets	$ 5,854,417	$ 4,351,070
#Fixed assets	2,778,529	2,953,326
Note receiv. - officer	106,497	111,627
Market secur.	434,158	439,830
Other assets	111,242	174,968
Total Assets	$ 9,284,843	$ 8,030,821

Liabilities

Long-term debt, curr.	$ 166,667	$ 166,667
Accts. payable	241,871	182,641
Accrued payroll	681,374	480,957
Accrued commissions	129,419	107,143
Accrued taxes	341,005	207,449
Other accruals	173,872	99,605
Curr. Liabilities	$ 1,734,208	$ 1,244,462
Long-term debt	1,849,425	2,016,092
Long-term deferred taxes	137,000	137,000
+Common stock	488,896	488,096
Add. paid-in capital	1,017,619	1,014,369
Retained earnings	5,270,663	4,537,396
Valuation allow. on secur.	—	(156,393)
Treasury stock	(1,188,805)	(1,187,655)
Deferred comp.	(24,163)	(62,546)
Total Liabilities & Shareholders' Equity	$ 9,284,843	$ 8,030,821

* At lower of cost (FIFO) or market.
# Less accumulated deprecation and amortization.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales & Rev.	21.15	17.03
%Net Income to Sales & Rev.	12.04	10.00
%Net Income to Equity	14.60	12.18
Debt to Equity	0.36	0.47
Working Capital	$ 4,120,209	$ 3,106,608
Current Ratio	3.38	3.50
Shareholders' Equity	$ 5,564,210	$ 4,633,267

The Samsung Group

Samsung Main Building
250 2-ka Taepyung-ro Chung-ku
Seoul, Korea

The Samsung Group

Executives: Byung-Chull Lee, chairman of the board-Samsung Group; Kun-Hee Lee, vice-chairman-Samsung Group; Hyon-Hwak Shin, chairman-Samsung Co., Ltd.; Joon-Sung Kim, chairman-Samsung Electronics Co., Ltd.; Jae-Un Chung, vice chairman-Samsung Co., Ltd.; Pil-Gon Rhee, president-Samsung Co., Ltd.; Yung-Hi Sohn, president-Cheil Sugar & Co., Ltd., Dae-Won Lee, president-Cheil Wool Textile Co., Ltd; Chun-Hwa Lee, president-Cheil Synthetic Textile Co., Ltd.; Hoon-Chull Shin, president-Samsung Aerospace Industries Co., Ltd.; Hyoung-Soo Han, president-Samsung Corning Co., Ltd.; Joo-In Suh, president-Samsung Electro-Mechanics Co., Ltd.; Pyung-Kun Sung, president-Samsung Petrochemical Co., Ltd.; Kwan-Shik Choi, president-Samsung Shipbuilding & Heavy Industries Co., Ltd. and Korea Engineering Co., Ltd; Ki-Suk Park, president-Samsung Construction Co., Ltd.; Jin-Ku Kang, president-Samsung Semiconductor & Telecommunications Co., Ltd.; Sae-Chang Song, president-Semiconductor & Telecommunications Co., Ltd.; Jung-Sang Kim, president-Samsung Watch Co., Ltd.; Sang-Ho Jeun, president-Samsung Data Systems Co., Ltd.; In-Ho Kim, president-Chonju Paper Manufacturing Co., Ltd. and Hotel Shilla Co., Ltd.; Soo-Hwan Lee, president-Joong-ang Development Co., Ltd.; Si-Hwan Ahn, president-Samsung Electronics Co., Ltd.; Jung-Bae Kim, president-Samsung Electronic Devices Co., Ltd.; Kyung-Shik Sohn, president-Ankuk Fire & Marine Insurance Co., Ltd.; Soo-Bin Lee, president-Dongbang Life Insurance Co., Ltd.; Han-Sup Ryu, president-Shinsegae Department Store Co., Ltd.; Woon-Hai Cho, chairman-Koryo General Hospital.

Areas of Work: In the Electronics area, the Company manufactures color and black-and-white TVs, video cassette recorders, stereo systems, home appliances, industrial electronic equipment, picture tubes, CRTs for data display, display monitors, receiving tubes, transistors, diodes, computers, VHF and UHF tuners, condensers, ceramic capacitors, speakers, deck mechanisms, TV glass bulbs, electronic gun-mounts, glass rods, glass bulbs for computer display, 64K D-RAM, 256K D-RAM, and IM D-RAM semiconductors, optical cables and fibers, electronic switching systems, and facsimiles.

In the Precision area, the Company manufactures jet engines, electro-optics equipment, cameras, industrial robots, process control systems, computer peripherals, digital and analog watches, and electronic display boards.

The Company is also involved in the production of industrial machinery, chemicals and textiles, food processing, insurance, hotel services, the operation of department stores and newspapers and magazines.

Subsidiaries (Korea):

Samsung Co., Ltd.
Samsung Main Bldg., 26th Floor
250 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1144
Seoul, Korea
751-2114

Cheil Sugar & Co. Ltd.
Dongbang Main Blgd., 18th Floor
150 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1155
Seoul, Korea
7518-114

Cheil Wool Textile Co., Ltd.
Samsung Main Bldg., 8th Floor
250 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1955
Seoul, Korea
751-2114

Cheil Synthetic Textiles Co., Ltd.
Dongbang Main Bldg., 19th Floor
150 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 3913
Seoul, Korea
7518-114

Chonju Paper Mfg. Co., Ltd.
Donbang Main Bldg., 21st Floor
150, 2-ka Taepyung-ro, Chung-ku
Seoul, Korea
755-6619
FAX: 755-2357

Joong-Ang Development Co., Ltd.
Samsung Bldg., 12th Floor
50, 1-ka, Ulchi-ro, Chung-ku
Seoul, Korea
777-5801

Samsung Electronics Co., Ltd.
Joong-ang Daily News Bldg., 18th Floor
7, Soonhwa-dong, Chung-ku
C.P.O. Box 2775
Seoul, Korea
751-6114

Samsung Electron Devices Co., Ltd.
Joon-ang Daily News Bldg., 5-8th Floor
7, Soonhwa-dong, Chung-ku
Seoul, Korea
755-2333

Samsung Aerospace Industries Ltd.
Dongbang Main Bldg., 16th Floor
150, 2-ka Taepyung-ro, Chung-ku
Seoul, Korea
7518-114

Samsung Corning Co., Ltd.
472 Sin-ri, Taean-up, Whasung-kun
Kyungki-do, Korea
P.O. Box 32
Suwon:(0331)33-5588
Seoul:7515-114

Samsung Electro-Mechanics Co., Ltd.
314 Maetan-dong, Suwon-si
Kyungki-do, Korea
Seoul:7512-114
FAX: Suwon:33-5511

Samsung Petrochemical Co., Ltd.
Dongbang Main Bldg., 10th Floor
150, 2-ka, Takepyung-ro, Chung-ku
Seoul, Korea
7518-821/31

Samsung Shipbuilding & Heavy Industries Co., Ltd.
Samsung Main Bldg., 19-20 Floor
250, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 3384
Seoul, Korea
751-2114

Ankuk Fire & Marine Insurance Co., Ltd.
Samsung Bldg., 6th Floor
50, 1-ka, Ulchi-ro, Chung-ku
C.P.O. Box 469
Seoul, Korea
771-42

Dongbang Life Insurance Co., Ltd.
Dongbang Main Bldg.
150, 2-ka, Taepyung-ro, Chung-ku
Seoul, Korea
7518-14

Shinsegae Department Store Co., Ltd.
52-5, 1-ka, Chnungmu-ro, Chung-ku
Seoul, Korea
754-1234

Koryo General Hospital
108, Pyeong-dong, Chongno-ku
C.P.O. Box 3452
Seoul, Korea
739-3211/20

Hotel Shilla Co., Ltd.
202, 2-ka, Jangchung-dong, Chung-ku
Seoul, Korea
233-3131

Samsung Construction Co., Ltd.
Joong-ang Bldg.
58-9 Seosomun-dong, Chung-ku
C.P.O. Box 8526
Seoul, Korea
757-8877

Samsung Electronics U.K. Ltd.
Joong-ang Bldg., 9th Floor
58-9, Seosomun-dong, Chung-ku
C.P.O. Box 4351
Seoul, Korea
757-9900

Samsung Semiconductor & Telecommunications Co., Ltd.
Dongbang Main Bldg., 26th Floor
150, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 8233
Seoul, Korea
771-78

Samsung Watch Co., Ltd.
Samsung Main Bldg., 7th Floor
250, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1806
Seoul, Korea
751-2114

Samsung Medical Systems Co., Ltd.
429-1 Sin-ri Taean-up
Hwasung-gun, Kyungki-do
745-5491/4

Samsung Hewlett Packard Co.
36-1 Youido-dong, Youngdeungpo-ku
Seoul, Korea
784-2666

The Joong-Ang Daily News
Joon-ang Daily News Bldg.
7, Soonhwa-dong, Chung-ku
Seoul, Korea
7515-114

Samsung Data Systems Co., Ltd.
Samsung Main Bldg., 6th Floor
250, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 4283
Seoul, Korea
756-6313

Subsidiaries (Europe & Africa):

Samsung Electronics Manufacturing U.K.
Royce Avenue
Billingham, Cleveland TS23 4 BX U.K.

Samsung Electronica Portuguesa SARL
Estrada de Manique Alcoita
Portugal

Samsung Electronics U. K. Ltd.
225 Hook Rise South Surbitron
Surrey KT6 7LD U.K.

Samsung Electronics GmbH
Daimlerstrasse 6.6374
West Germany

Samsung Electronics France
46, Rue Arago 92800 Puteaux
France

Subsidiaries (Asia & Oceania):

Samsung Electronic Australia Pty Ltd.
Unit G. 10-16 South Strret
Rydalmere N.S.W. 2116, Australia

Samsung Electronics Japan Co., Ltd.
5F-8F Sudacho Verde Building
2-3 Kandasuda-cho, Chiyoda-ku
Tokyo 101, Japan

Samsung Electronic H.K. Co., LTd.
24/FL, Admiralty Centre
18 Harcourt Road
Hong Kong

Subsidiaries (North & Latin America):

Samsung International Inc.
One Samsung Place
Ledgewood, New Jersey 07852
(201) 347-8004

Samsung Semiconductor Inc.
3725 North 1st Street
San Jose, California 95134-1708
(408) 434-5400

Samsung Information Systems America, Inc.
77 Tasman Drive
San Jose, California 95134-1708
(408) 434-5400

Samsung Mexicana S. D. DE. C.V.
Ave Produccion No 15 Praque
Tijuana, Mexico

Samsung Electronics America Inc.
301 May Hill Street
Saddlebrook, New Jersey 07662
(201) 587-9600

Samsung Electronics America Inc. Service Center
5000 Highlands Parkway
Suite 300
Smyrna, Georgia 30082
(404) 434-2460

Samsung Software America Inc.
1 Corto Rate Drive
Andover, Massachusetts 01810
(508) 685-7200

Samsung Electronics Canada Inc.
445 Hood Road
Markham, Ontario L3R 8HI Canada

Stock Exchange(s): Seoul, Korea.

Number of Employees:

1986	147,154	1985	129,039

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	W3,028,252,908	W 101,825,421
1987	2,381,311,857	34,533,232
1986	1,472,256,000	N.A.
1985	1,276,560,000	N.A.
1984	1,086,696,000	N.A.

W - Korean Won
N.A. - Not Available.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1988	W 485,881,424	—
1987	220,987,697	—

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	W3,028,252,908	W2,381,311,857
Other income	91,817,671	28,165,032
Total income	W3,120,070,579	W2,409,476,889
Cost of sales	2,555,037,194	2,048,876,669
Expenses	299,161,342	219,652,377
Interest expense	61,723,342	49,565,397
Other expense	76,201,076	45,617,597
Income before taxes	W 127,947,625	W 45,764,849
Income taxes	26,122,204	11,231,617
Net Income	W 101,825,421	W 34,533,232

* Included in Costs and Expenses, Depreciation and Amortization: W125,778,011,000 in 1988 and W67,309,926,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	W 136,208,874	W 81,450,858
Marketable securities	12,674,869	4,346,607
Accts. & notes receiv., net	347,947,363	299,054,033
Inventories	417,667,951	185,584,447
Guarantee deposits	100,896,226	45,816,231
Other curr. assets	33,733,258	12,580,911
Current Assets	W1,049,128,541	W 628,832,587
Investments	134,288,274	75,867,525
#Fixed assets	1,128,641,933	362,565,181
Deposits & other assets	114,960,707	45,651,963
Deferred charges	34,966,678	21,550,462
Total Assets	W2,461,986,133	W1,137,467,718

Liabilities
(000's)

Short-term loans	W 307,911,262	W 239,513,101
Long-term debt, curr.	145,323,820	92,987,978
Accts. & notes payable	494,633,135	360,587,052
Income taxes pay.	25,173,142	4,551,888
Other curr. liab.	111,417,931	34,640,480
Curr. Liabilities	W1,084,459,290	W 732,280,499
Long-term debt	713,787,600	124,901,046
Notes & bonds in for. curr.	72,059,100	17,794,000
Accrued severance benefits	92,499,021	41,504,476
Deferred credit	13,299,698	—
Common stock	181,094,745	69,500,000
Revaluation surplus	24,400,991	24,400,991
Other capital surplus	83,054,658	17,365,892
Retained earnings	216,238,404	109,720,814
Treasury stock	(18,907,374)	—
Total Liabilities & Shareholders' Equity	W2,461,986,133	W1,137,467,718

# Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	4.23	1.92
%Net Income to Sales	3.36	1.45
%Net Income to Equity	20.96	15.63
Sales to Inventories	7.25	12.83
Debt to Equity	2.40	2.07
Shareholders' Equity (000's)	W 485,881,424	W 220,987,697

Scan-Optics, Inc.

22 Prestige Park Circle
East Hartford, Connecticut 06108
(203) 289-6001
FAX: (203) 289-9034

Officers: Richard I. Tanaka, chairman of the board & chief executive officer; Clarence W. Rife, sr. v.p.-customer service; Charles F. Wilson, sr. v.p.-sales; William H. Cuddy, secretary; John H. Aucoin, v.p., controller & asst. secretary; John V. Woods, gen. mgr.-Scan-Optics Ltd.; Carolyn M. Skahill, treasurer.

Directors: Richard I. Tanaka, Logan Clarke, Jr., Robert H. Steele, Richard J. Coburn, Lyman C. Hamilton, Jr., Richard Hodgson, E. Bulkeley Griswold.

Areas of Work: Engaged in the development, manufacture and marketing of data entry systems using optical character recognition, key data entry and image processing technologies. The Company either sells this data entry equipment directly to customers or leases it through its wholly owned subsidiary, World-Wide Systems Corporation. The Company also furnishes maintenance and engineering support service to its customers as well as software and systems analysis service.

Subsidiaries:

World-Wide Systems Corporation
22 Prestige Park Circle
East Hartford, Connecticut 06108
(203) 289-6001

Scan-Optics, Limited
36 Sunbury Cross Centre
Sunbury, Middlesex TW16 7AZ, England

Scan-Optics (Canada), Ltd.
7100 Woodbine Avenue
Suite 213
Markham, Ontario L3R 5J2, Canada

Scan-Optics (France), S.A.
140 boulevar[illegible] Malesherbes
75017 Paris, France

Transfer Agent(s):

Mellon Financial Services
Fiduciary Services Group
111 Founders Plaza, 11th Floor
East Hartford, Connecticut 06108

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOCR (NASDAQ)

Number of Employees:

1989	446	1986	N.A.
1988	584	1985	377
1987	528		

Plant Footage:

1989	166,000 sq. ft.	1986	N.A.
1988	166,000	1985	64,000
1987	136,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 25,362,020	$ (15,357,583)
1988	31,793,028	(1,941,238)
1987	29,324,963	(1,135,471)
1986	15,829,268	3,019,321
1985	18,249,612	3,861,787

	No. of Com. Shares +	Earn. per Share +
1989	6,294,627	$ —
1988	6,306,518	—
1987	6,535,743	—
1986	6,693,808	0.45
1985	6,147,228	0.63

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 18,041,957	$ 2.87
1988	33,406,872	5.30
1987	36,569,743	5.60
1986	40,227,318	6.01
1985	32,157,012	5.23

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 25,362,020	$ 31,793,028
Lease & serv. rev. & fin. inc.	15,909,854	15,803,965
Total income	$ 41,271,874	$ 47,596,993
Cost of sales	27,440,192	21,792,200
Plant consolidation	1,485,000	—
Expenses	29,124,195	26,056,840
Depreciation	62,702	77,964
Interest income	(5,949)	(37,739)
Interest expense	1,448,880	795,648
Other income	(14,563)	(77,052)
Loss before taxes	$ (18,268,583)	$ (1,010,868)
Tax credit	(2,911,000)	(351,049)
Cum. effect of acct. change	—	1,281,419
Net Loss	$ (15,357,583)	$ (1,941,238)

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 783,173	$ 773,400
Accts. receiv., net	6,946,582	11,577,774
Refund. inc. taxes	3,345,416	1,367,083
Receiv. - sales-type leases	1,375,074	1,816,830
*Inventories	16,424,218	26,906,800
Prepaid expenses	217,090	560,839
Current Assets	$ 29,091,553	$ 43,002,726
Equip. leased to customers	30,229	184,925
#Fixed assets	7,797,219	10,257,640
Invest. in sales-type leases	2,199,968	2,294,965
Other assets	100,084	348,084
Total Assets	$ 39,219,053	$ 56,088,340

Liabilities

Notes payable	$ 9,950,000	$ 10,150,000
Note payable to Volkswagen	2,337,000	—
ESOP loan payable	1,059,846	—
Long-term debt, curr.	—	911,647
Accts. payable	1,663,090	3,454,862
Accrued payroll	866,941	1,091,318
Other accruals	3,217,443	1,029,129
Misc. taxes	456,836	683,211
Def. inc. taxes	—	233,028
Customer deposits	325,465	242,160
Deferred billings	899,266	1,698,000
Curr. Liabilities	$ 20,746,386	$ 19,493,355
Other liabilities	246,325	246,380
Long-term debt	—	2,618,180
Deferred inc. taxes	184,385	323,553
+Common stock	117,073	117,071
+Common stock - Class A	17,089	17,089
Add. paid-in capital	33,784,856	33,784,571
Retained earnings (deficit)	(12,184,316)	3,173,267
Curr. trans. adj.	12,976	153,076
Debt guarantee for ESOP	(1,059,846)	(1,192,327)
Treasury stock	(2,645,875)	(2,645,875)
Total Liabilities & Shareholders' Equity	$ 39,219,053	$ 56,088,340

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02 par value.

Statistical Summary

Sales to Inventories	1.54	1.18
Debt to Equity	0.74	0.41
Working Capital	$ 8,345,167	$ 23,509,371
Current Ratio	1.40	2.21
Shareholders' Equity	$ 18,041,957	$ 33,406,872

Schlumberger Limited

277 Park Avenue
New York, New York 10172
(212) 350-9400
FAX: (212) 350-9564

42, rue Saint-Dominique
Paris 75007, France

2-7-1, Nishi-Shinjuku 2-chome
Shinjuku-ku
Tokyo 163, Japan

Officers: Euan Baird, chairman of the board & chief exec. officer; Arthur Lindenauer, exec. v.p. & chief financial officer; Michel Gouilloud, exec. v.p.; Roland Genin, vice chairman of the board; Victor E. Grijalva, exec. v.p.; Clermont A. Matton, exec. v.p.; Rene Mitieus, exec. v.p.; Ian Strecker, exec. v.p.; Andre Salaber, exec. v.p.; Jean-Dominique Percevault, v.p.; Allen Klein, v.p.; Andre Misk, v.p.; Jean Boucharlat, v.p.; John D. Ingram, v.p.; Jimmy D. Callison, v.p.; Patrick J. B. Corser, controller; David S. Browning, secretary & general counsel; Andrew Gould, treasurer; James A. Mackenzie, asst. secretary; Thomas O. Rose, asst. secretary.

Directors: Euan Baird, chairman; Roland Genin, George H. Jewell, Paul A. Lepercq, Don E. Ackerman, Nicolas Seydoux, Guy Dejouany, John Deutch, Didier Primat, Eiji Umene, Arnaud de Vitry.

Areas of Work: Provides measurement and control instruments and systems, computer-aided design, manufacturing and testing services, and electronic components for comsumer, industrial and commercial applications. Also offers well-site and contract drilling services to the oil industry on a worldwide basis.

Divisions and Subsidiaries:

OILFIELD SERVICES

Wireline, Testing & Seismic Services
Provides oilfield services that help locate and define oil and gas reservoirs, and assist in the completion, development and production phases of oil and gas wells.

Wireline & Testing Services
Measurements of the geophysical and geological properties of underground formations to help locate and characterize reservoirs, and services to test and produce oil and gas wells.

GECO
Acquires, processes and interprets seismic data used to define subsurface structures where prospective oil or gas reservoirs may be trapped.

Drilling & Pumping Services
Offers oilfield services in the drilling and completion phases of oil exploration and development.

Sedco Forex
Operates 39 offshore and 34 land drilling rigs.

Anadrill
Well-site analysis of surface and downhole drilling and geological data used to aid drilling efficiency and safety, to determine the direction of drilling, and the types of formations being drilled.

Dowell Schlumberger (50% owned)
Pressure pumping services for cementing casing in the borehole and for stimulating production by acidizing or fracturing treatments.

MEASUREMENT & SYSTEMS

Schlumberger Industries
Designs, manufactures and sells products, systems and service for the acquisition, processing, transmission and analysis of data.

Electricity Management
Electricity meters, load and rate management and automatic meter reading and billing systems.

Water and Gas
Meters for measuring water, gas, thermal energy and industrial fluids consumption; automatic meter reading and billing systems.

Process Control and Transducers
Industrial process control equipment and transducers.

Schlumberger Technologies
Provides hardware and software tools to help engineering customers shorten design and production cycles, and supplies products and systems for electronic payments and transations.

Automatic Test Equipment
Automatic test equipment and software for diagnostic testing of integrated circuits, as well as functional and in-circuit testing of printed-cicuit boards and integrated circuits.

Computer Aided Design and Manufacturing
Computer-based solutions for engineering design and manufacturing processes; software for numerically controlled machine tools.

Electronic Transations
Cards, terminals, systems and service to automate point-of-sale payments; fuel dispensing systems for gas stations, parking and mass transit terminals, public payphones and smart cards.

Instruments
Electronic instruments for mechanical design, telecommunications, process control and electronic service.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Paris, London, Amsterdam, Geneva, Frankfurt, Lausanne, Zurich

Ticker Symbol: SLB (New York)

Number of Employees:

1989	46,000	1986	49,661
1988	48,000	1985	72,810
1987	50,000		

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1989	$ 4,843,706	$ 441,454
1988	5,175,372	476,151
1987	4,727,019	352,640
1986	4,938,420	(2,017,591)
1985	6,018,902	351,036

	No. of Com. Shares †	Earn. per Share ‡ †
1989	237,859,000	$ 1.86
1988	264,199,000	1.80
1987	277,065,000	1.27
1986	287,387,000	—
1985	298,872,000	1.17

(Loss)
+ Includes services and other income; of continuing operations only.
‡ Including extraordinary gains of $21,500,000 ($0.09 per share) in 1989, $22,287,000 ($0.08 per share) in 1988 and $70,080,000 ($0.25 per share) in 1987.
† Based on the average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Oilfield services	$ 2,696,000	$ 2,721,000
Measurement & control	1,990,000	2,204,000
Interest and other income	158,000	250,000
Total	$ 4,844,000	$ 5,175,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.20	—	—
1988	1.20	—	
1987	1.20	—	—
1986	1.20	—	—
1985	1.20	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 2,897,912	$ 12.18
1988	2,755,018	10.43
1987	3,835,884	13.84
1986	4,123,271	14.35
1985	6,877,308	23.01

‡ Based on the average number of common shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales & services	$ 4,685,995	$ 4,924,522
Other income	157,711	250,850
Total income	$ 4,843,706	$ 5,175,372
Cost of sales & services	3,342,102	3,528,114
Expenses:		
Research & eng.	339,073	352,568
Marketing	268,343	302,918
General	267,759	274,658
Interest expense	95,741	128,602
Income bef. taxes	$ 530,688	$ 588,512
Income taxes	110,734	134,648
Net Income	$ 419,954	$ 453,864
Extraord. gain	21,500	22,287
Net Income & extraord. gain	$ 441,454	$ 476,151

* Included in Costs and Expenses, Depreciation and Amortization: $519,727,000 in 1989 and $552,162,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 53,913	$ 41,670
Investments	1,299,560	1,407,446
Receiv., net	1,103,609	1,129,553
*Inventories	509,919	583,282
Other curr. assets	63,781	60,614
Current Assets	$ 3,030,782	$ 3,222,565
Invest. in affil. cos.	296,036	299,642
Investments & receiv.	169,709	149,592
#Fixed assets	1,647,833	1,616,683
Exc. of cost over assets acq.	274,401	243,242
Other assets	63,025	68,439
Total Assets	$ 5,481,786	$ 5,600,163

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 57,029	$ 69,426
Accts. payable & accruals	1,137,986	1,137,408
Bank loans	296,128	633,004
Dividends payable	71,600	71,614
Income taxes	583,930	592,784
Curr. Liabilities	$ 2,146,673	$ 2,504,236
Long-term debt	292,487	191,454
Other liabilities & reserves	144,714	149,455
+Common stock	410,343	432,899
Retained earnings	4,877,367	4,721,322
Treasury stock	(2,349,633)	(2,352,563)
Trans. adjustment	(40,165)	(46,640)
Total Liabilities & Shareholders' Equity	$ 5,481,786	$ 5,600,163

* At lower of average or standard cost or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	11.32	11.95
%Net Income to Sales	8.96	9.22
%Net Income to Equity	14.49	16.47
Debt to Equity	0.12	0.09
Working Capital	$ 884,109,000	$ .718,329,000
Current Ratio	1.41	1.29
Shareholders' Equity	$ 2,897,912,000	$ 2,755,018,000

Scientific-Atlanta, Inc.

One Technology Parkway
P.O. Box 105600
Atlanta, Georgia 30348
(404) 441-4000
FAX: (404) 441-4617

Officers: Sidney Topol, chairman of the board; William E. Johnson, chief executive officer; John H. Levergood, president & chief operating officer; Raymond M. Hartnett, sr. v.p., chief financial officer & treasurer; Jules E. Kadish, vice president-international marketing; Raymond D. Lucas, sr. v.p. & chief strategic officer; John E. Breyer, v.p. & pres.-Electronic Systems Group; H. Allen Ecker, sr. v.p.-technical operations & chief technical officer; J. Lawrence Bradner, v.p. & pres.-Broadband Communications Division; James L. Faust, v.p.-international; David A. Eggers, v.p., secretary & general counsel; Julian W. Eidson, v.p. & controller; Brian C. Koenig, v.p.-human resources; William Y. O'Connor, v.p. & pres.-Network Systems Group; Margaret W. Jones, asst. secretary.

Directors: Wilbur B. King, Sidney Topol, James V. Napier, Alonzo L. McDonald, John H. Levergood, Wickham Skinner, William E. Johnson, David J. McLaughlin.

Areas of Work: Designs, manufactures and markets commercial electronic signal generating and receiving equipment consisting of a variety of standard and proprietary communications and instrumentation products. Communications products are used in satellite earth stations, cable television receiving and distribution systems, wireless home security systems and energy management systems. Communications products include antennas, receivers, transmitters and related electronic equipment. The Company's instrumentation products are used by a wide range of industrial and military customers to electronically test, measure and help control various equipment and processes. Instrumentation products consist of spectrum analyzers and systems, instruments to test and measure the quality and performance of various types of telecommunications equipment, and antenna test and measurement products. The Government Systems Group manufactures telemetry, electronic warfare, anti-submarine warfare and acoustic communications products and systems for the U.S. and foreign governments.

Subsidiaries:

Digital Video Systems Corp.
Toronto, Canada

Scientific-Atlanta GmbH
Munich, West Germany

Scientific-Atlanta Ltd.
Herts, England

Scientific-Atlanta (Canada), Ltd.
Mississauga, Ontario, Canada

Scientific-Atlanta S.A.
Montesson (Paris), France

Scientific-Atlanta S.p.A.
Rome, Italy

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SFA

Number of Employees:

Year	Employees	Year	Employees
1989	3,500	1986	4,139
1988	3,445	1985	4,215
1987	3,800		

Sales & Earnings

	Net Sales	Net Income
1989	$ 546,763,000	$ 36,287,000
1988	508,587,000	29,670,000
1987	495,346,000	24,260,000
1986	469,124,000	(9,212,000)
1985	436,892,000	16,385,000

	No. of Com. Shares	Earn. per Share ‡
1989	23,079,640	$ 1.53
1988	23,969,956	1.25
1987	23,449,015	1.04
1986	23,511,742	—
1985	23,280,311	0.71

(Loss)
‡ Based on the weighted average number of common shares outstanding during each year.

Revenues by Line of Business

	1989	1988
Communications	$ 385,771,000	$ 363,491,000
Instrumentation	160,992,000	145,096,000
Total	$ 546,763,000	$ 508,587,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	
1987	0.12	—	—
1986	0.12	—	—
1985	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 256,571,000	$ 11.12
1988	237,260,000	9.90
1987	201,603,000	8.60
1986	179,863,000	7.65
1985	188,491,000	8.10

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 546,763	$ 508,587
Cost of sales	364,428	344,926
Expenses	129,869	118,653
Prov. for disposal of prod. lines	—	(2,706)
Interest expense	1,326	1,279
Interest income	(5,555)	(2,255)
Other expense (income)	(4)	835
Income bef. taxes	$ 56,699	$ 47,855
Income taxes	20,412	18,185
Net Income	$ 36,287	$ 29,670

* Included in Costs and Expenses, Depreciation and Amortization: $13,172,000 in 1989 and $13,524,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash	$ 79,970	$ 53,048
Receivables, net	115,204	101,040
*Inventories	88,357	94,972
Deferred inc. taxes	10,045	7,656
Current Assets	$ 293,576	$ 256,716

#Fixed assets	45,093	42,170
Intangibles	11,254	11,829
Other assets	5,724	5,611
Total Assets	$ 355,647	$ 316,326

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 1,520	$ 399
Accts. payable	29,891	17,050
Accruals	40,819	33,971
Income taxes	1,692	—
Curr. Liabilities	$ 73,922	$ 51,420
Long-term debt	2,595	2,884
Deferred inc. taxes	8,772	13,764
Other liabilities	13,787	10,998
+Common stock	12,043	12,043
Add. paid-in capital	114,978	114,894
Retained earnings	143,817	110,368
Treasury stock	(14,807)	(1,098)
Accum. trans. adjust.	540	1,053
Total Liabilities & Shareholders' Equity	$ 355,647	$ 316,326

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.37	9.41
%Net Income to Sales	6.64	5.83
%Net Income to Equity	14.14	12.51
Sales to Inventories	6.19	5.36
Debt to Equity	0.02	0.01
Working Capital	$ 219,654,000	$ 205,296,000
Current Ratio	3.97	4.99
Shareholders' Equity	$ 256,571,000	$ 237,260,000

Scientific Industries, Inc.

Airport International Plaza
70 Orville Drive
Bohemia, New York 11716
(516) 567-4700
FAX: (516) 567-5896

Officers: Lowell A. Kleiman, president & treasurer; Cathy Pulver, v.p.; Charles N. Bellm, secretary; Claire McAuliffe, asst. secretary & asst. treasurer.

Directors: Charles N. Bellm, Joseph I. Kesselman, Lowell A. Kleiman, Roger B. Knowles, Arthur M. Bordon.

Areas of Work: Produces scientific instruments and apparatus for laboratory use. Products include liquid mixers, timers, peristaltic pumps, rotators, hospital supply sterilizers, and sterilizer control systems. Also customizes and remanufactures sterilizers and autoclaves for laboratories, pharmaceutical houses, and medical device manufacturers.

Subsidiary:

Scientific Packaging Industries Inc.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCND (NASDAQ)

Number of Employees:

1989	21	1987	25
1988	N.A.	1986	23

N.A. - Not Available.

Plant Footage:

1989	41,287 sq. ft.	1987	41,287
1988	41,287	1986	41,287

Sales & Earnings

	Net Sales	Net Income †
1989	$ 2,357,800	$ 23,100
1988	2,173,500	44,100
1987	1,843,000	(70,200)
1986	2,054,600	121,900
1985	1,784,400	(221,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	802,232	$ 0.03
1988	802,232	0.05
1987	802,232	—
1986	802,232	0.16
1985	754,232	—

(Loss)
† Including extraordinary gains of $3,700 ($0.01 per share) in 1989, $8,100 ($0.01 per share) in 1988 and $2,600 in 1986.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	'988	1987	1986
Laboratory equipment	87 %	78 %	75 %	68 %
Sterilizers, autoclaves and similar devices	13	22	25	32
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 573,400	$ 0.71
1988	550,300	0.69
1987	506,200	0.63
1986	576,400	0.72
1985	414,500	0.55

Income Account *

Year ended June 30	1989	1988
Net sales	$ 2,357,800	$ 2,173,500
Cost of sales	1,601,200	1,415,400
Expenses	750,200	741,100
Interest expense	9,800	5,600
Other income	(27,800)	(33,600)
Inc. bef. taxes	$ 24,400	$ 45,000
Income taxes	5,000	9,000
Net Income	$ 19,400	$ 36,000
Extraord. gain	3,700	8,100
Net Income & extraord. gain	$ 23,100	$ 44,100

* Included in Costs and Expenses, Depreciation and Amortization: $28,900 in 1989 and $26,900 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 66,500	$ 42,900
Accts. receiv., net	119,800	203,300
Costs in exc. of billings	—	2,800
*Inventories	526,700	446,300
Prepaid expenses	45,400	46,000
Current Assets	$ 758,400	$ 741,300
#Fixed assets	60,700	53,700
Other assets	24,800	22,400
Total Assets	$ 843,900	$ 817,400

Liabilities

Note payable-bank	$ 80,000	$ 50,000
Cap. lease oblig., curr.	5,500	—
Loan payable-officer	—	25,000
Accts. payable	81,600	124,600
Security deposit payable	4,000	—
Accrued expenses	27,700	47,200
Billings in exc. of costs	34,900	—
Customer advances	26,100	20,300
Curr. Liabilities	$ 259,800	$ 267,100
Cap. lease oblig.	10,700	—
+Common stock	41,100	41,100
Add. paid-in capital	835,100	835,100
Deficit	(250,400)	(273,500)
Treasury stock	(52,400)	(52,400)
Total Liabilities & Shareholders' Equity	$ 843,900	$ 817,400

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.03	2.07
%Net Income to Sales	0.82	1.66
%Net Income to Equity	3.38	6.54
Sales to Inventories	4.48	4.87
Debt to Equity	0.17	0.09
Working Capital	$ 498,600	$ 474,200
Current Ratio	2.92	2.78
Shareholders' Equity	$ 573,400	$ 550,300

Scintrex Limited

222 Snidercroft Road
Concord, Ontario L4K 1B5 Canada
(416) 669-2280
FAX: (416) 669-5132

Officers: Harold O. Seigel, president; Gerald Stork, sr. v.p.; Jon G. Baird, sr. v.p.; Anthony W. Howland-Rose, v.p.; Alfred J. Shaul, secretary.

Directors: Harold O. Seigel, Alfred J. Shaul, Gerald Stork, Harold I. Schiff, W. Denis Whitaker, Anthony W. Howland-Rose, Marilyn M. Seigel, John Patrick Sheridan, Allan I. Carswell, Michael G. Roman-Barber.

Areas of Work: A high technology company engaged in the research, design and manufacture of geophysical and geochemical exploration instrumentation, analytical instruments, including a portable bomb sniffer, nuclear reactor monitoring devices, defense-related equipment and other scientific products.

Subsidiaries:

Scintrex, Inc.
9200 East Mineral Avenue
Englewood, Colorado 80112
(303) 790-2902

Scintrex Pty. Ltd.
1031 Wellington Street
West Perth 6005 Australia
321-6934

6 Tramore Place
Killarney Heights, N.S.W. 2087, Australia
451-5367

Transfer Agent(s):

The Royal Trust Company

Stock Exchange(s): Toronto

Ticker Symbol: SCT

Number of Employees:

1989	150	1986	200
1988	175	1985	220
1987	200		

Plant Footage:

1989	70,000 sq. ft.	1986	75,000
1988	70,000	1985	72,000
1987	70,000		

Sales & Earnings

	Revenues	Net Income #
1989	$ 12,322,000	$ (4,718,000)
1988	12,222,000	(630,000)
1987	11,264,000	(1,153,000)
1986*	10,900,000	464,000
1985	18,211,000	1,342,000

	No. of Com. Shares ‡	Earn. per Share #‡
1989	1,907,102	$ —
1988	1,851,728	—
1987	1,910,706	—
1986*	1,468,470	0.30
1985	1,095,569	1.21

(Loss)
* 11 months.
# Including extraordinary loss of $1,848,000 in 1989.
‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Instrumentation	$ 11,560,000	$ 11,488,000
Exploration services	762,000	734,000
Total	$ 12,322,000	$ 12,222,000

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 11,198,000	$ 5.87
1988	15,436,000	8.34
1987	16,348,000	8.56
1986	17,769,000	12.10
1985	8,719,000	7.96

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares outstanding.

Income Account

Year ended Dec. 31	1989	1988
Revenues	$ 12,322,000	$ 12,222,000
Cost of sales & expenses	12,682,000	11,484,000
Expenses	1,186,000	1,261,000
Depreciation	693,000	644,000
Interest income	(333,000)	(536,000)
Share of income of Unisearch	(10,000)	(34,000)
Write-off of unclaimed invest. tax credits	601,000	—
Write-down of invest. in other cos.	400,000	—
Loss before taxes	$ (2,897,000)	$ (597,000)
Income taxes (credit)	(27,000)	33,000
Net Loss	$ (2,870,000)	$ (630,000)
Extraord. loss	(1,848,000)	—
Net Loss & extraord. loss	$ (4,718,000)	$ (630,000)

Assets

As of Dec. 31	1989	1988
Cash	$ 1,117,000	$ 4,398,000
Accts. receiv., net	3,145,000	2,624,000
*Inventories	4,368,000	4,987,000
Prepaid expenses	27,000	50,000
Current Assets	$ 8,657,000	$ 12,059,000
#Fixed assets	4,618,000	4,548,000
Other assets	283,000	1,472,000
Total Assets	$ 13,558,000	$ 18,079,000

Liabilities

Accts. payable	$ 1,660,000	$ 1,569,000
Customer deposits	372,000	535,000
Income taxes	—	13,000
Curr. Liabilities	$ 2,032,000	$ 2,117,000
Deferred inc. taxes	—	198,000
+Preferred stock	328,000	328,000
++Common stock	12,271,000	11,644,000
Retained earnings (deficit)	(834,000)	3,932,000
For exch. trans.	(239,000)	(140,000)
Total Liabilities Shareholders' Equity	$ 13,558,000	$ 18,079,000

* At lower of cost (FIFO) and net relizable value.
# Less accumulated depreciation.
+ $1 par value; $0.06 cumulative.
++ No par value.

Statistical Summary

Working Capital	$ 6,625,000	$ 9,942,000
Current Ratio	4.26	5.70
Shareholders' Equity	$ 11,526,000	$ 15,764,000

Seagate Technology

920 Disc Drive
Scotts Valley, California 95066
(408) 438-6550
FAX: (408) 438-6172

Officers: Alan F. Shugart, chairman & chief exec. officer; David T. Mitchell, president & chief operating officer; Douglas K. Mahon, exec. v.p. & chief technical officer; Donald L. Waite, sr. v.p., chief financial officer & secretary; Joe Chen, v.p.-engineering, Far East operations; Sanjoy Ghose, v.p.-product development; Gunter Heine, v.p.-Motor Division; James O. Jacques, v.p.-product development; Thomas W. Maher, v.p. & gen. mgr.-Seagate Magnetics; Robert E. Martell, v.p.-distribution sales; Anthony L. Pe[illegible]lick, v.p.-technical support; Robert A. Sandie, v.p.-domestic operations; Frederick B. Schudel, v.p.-Far East engineering; Ronald D. Verdoorn, v.p.; Calvin L. Reed, v.p.; Sing G. Tien, v.p.-Far East manufacturing; Thomas R. Dillon, v.p.-corp. materials; Stephen B. Greenspan, v.p.-process development; Ronald E. Brown, v.p.; David A. Drennan, v.p.; Clifford D. Edey, v.p.; John T. Haughey, v.p.; H. Lee Peterson, v.p.; Charles H. Smith, v.p.; James C. Allan, v.p.; Joseph C. Consoli, v.p.; Philip B. Detwiler, Jr., v.p.; Valerie A. Ellsworth, v.p.; Sanjoy Ghose, v.p.; Robert A. Kundtz, v.p.; Thomas W. Maher, v.p.; Charles Pope, v.p.; Jean-Pierre Robinot, v.p.; John Weinberg, v.p.; William R. Wichmann, v.p.; Kenneth D. Wing, v.p..

Directors: Alan F. Shugart, chairman; Gary B. Filler, Kenneth Haughton, Robert A. Kleist, David T. Mitchell, Thomas P. Stafford, Douglas K. Mahon.

Areas of Work: Designs, manufactures and markets a line of rigid magnetic disc drives and related products for use in small computer systems.

Divisions:

Motor Division

Disc Drive Division

Subsidiary:

Seagate Magnetics
Fremont, California
Produces sputtered thin-film media.

Seagate Substrates
Anaheim, California
A supplier of finished aluminum substrates.

Seagate Microelectronics
Livingston, Scotland
Designs and manufactures custom power semiconductors, which are used for motor control in disc drives.

Transfer Agent(s):

Bank of America
National Trust and Savings Association
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SGAT (NASDAQ)

Number of Employees:

1989	29,000	1987	16,000
1988	30,000	1986	8,900

Plant Footage:

1989	2,963,589 sq. ft.	1987	927,700
1988	1,537,890	1986	635,300

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,371,568,000	$ 349,000
1988	1,265,966,000	77,317,000
1987	958,065,000	139,741,000
1986	459,836,000	34,536,000
1985	214,836,000	1,045,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	50,548,000	$ 0.01
1988	50,187,000	1.54
1987	49,772,000	2.81
1986	48,182,000	0.72
1985	47,346,000	0.02

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 442,477,000	$ 8.75
1988	436,355,000	8.69
1987	353,964,000	7.11
1986	208,417,000	4.33
1985	172,108,000	3.64

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 1,371,568	$ 1,265,966
Cost of sales	1,209,772	1,031,202
Products develop.	51,115	50,085
Mkt. & adm. expenses	97,726	84,279
Interest expense	23,219	19,990
Interest income	(9,220)	(19,028)
Other expense (income)	(1,516)	421
Income before taxes	$ 472	$ 99,017
Income taxes	123	21,700
Net Income	$ 349	$ 77,317

* Included in Costs and Expenses, Depreciation and Amortization: $84,929,000 in 1989 and $50,966,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash	$ 189,632	$ 92,588
Accts. receiv., net	174,192	201,803
*Inventories	268,573	365,643
Other curr. assets	19,152	24,772
Current Assets	$ 651,549	$ 684,806
#Fixed assets	382,128	399,062
Other assets	43,097	10,086
Total Assets	$ 1,076,774	$ 1,093,954

Liabilities
(000's)

Long-term debt, curr.	$ 2,229	$ 1,597
Accts. payable	157,796	203,820
Accrued compensation	30,004	20,973
Other accruals	64,589	54,035
Income taxes	10,494	7,769
Curr. Liabilities	$ 265,112	$ 288,194
Long-term debt	305,391	304,392
Deferred inc. taxes	63,794	65,013
+ Common stock	500	491
Add paid-in capital	129,290	122,823
For. curr. trans.	(703)	—
Retained earnings	313,390	313,041
Total Liabilities & Shareholders' Equity	$ 1,076,774	$ 1,093,954

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.03	7.82
%Net Income to Sales	0.03	6.11
%Net Income to Equity	0.08	17.72
Sales to Inventories	5.11	3.46
Debt to Equity	0.70	0.70
Working Capital	$ 386,437,000	$ 396,612,000
Current Ratio	2.46	2.38
Shareholders' Equity	$ 442,477,000	$ 436,355,000

Semicon, Inc.

11 North Avenue
Burlington, Massachusetts 01803
(617) 272-9015
FAX: (617) 272-9109

Officers: Robert E. House, chairman of the board; Harold W. Mahar, Jr., president & chief executive officer; Richard C. Allard, treasurer & v.p.-finance.

Directors: Robert E. House, chairman; Charles T. Russell, Jr., Mary E. Weber, Bruce W. Everitt, Harold W. Mahar, Jr., Douglas P. Smith.

Areas of Work: Engaged in the manufacture and sale of semiconductor devices such as rectifiers, zener diodes and transient suppressors. The company also specializes in custom assemblies for high voltage, power switching and transient suppressor applications.

Divisions and Subsidiaries:

Semicon Components, Inc.
10 North Avenue
Burlington, Massachusetts 01803
(617) 272-9015

Semicon Ventures, Inc.
Burlington, Massachusetts
(617) 229-6290

Transfer Agent(s):

Continental Stock Transfer and Trust Co.
(common stock)
72 Reade Street
New York, New York 10007

Fleet National Bank
(convertible debentures)
111 Westminster Street
Providence, Rhode Island 02903

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEME (NASDAQ)

Number of Employees:

1989	150	1986	638
1988	215	1985	625
1987	245		

Plant Footage:

1989	60,000 sq. ft.	1986	350,000
1988	60,000	1985	350,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 15,324,000	$ 1,550,000
1988	15,665,000	(581,000)
1987	12,476,000	(11,348,000)
1986	13,104,000	(598,000)
1985	16,946,000	2,753,000

	No. of Com. Shares #	Earn. per Share †#
1989	3,107,000	$ 0.50
1988	2,837,000	—
1987	2,839,000	—
1986	2,842,000	—
1985	3,541,000	0.89

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $119,000 ($0.04 per share) in 1989.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 727,000	$ 0.23
1988	(1,486,000)	—
1987	(945,000)	—
1986	10,753,000	3.79
1985	11,396,000	4.01

(Deficiency)

Income Account *

Year ended June 30	1989	1988
Net sales	$ 15,324,000	$ 15,665,000
Other income	157,000	93,000
Total income	$ 15,481,000	$ 15,758,000
Cost of sales	9,550,000	11,552,000
Expenses	3,611,000	3,702,000
Interest & debt expense	838,000	1,085,000
Inc. (loss) bef. taxes	$ 1,482,000	$ (581,000)
Income taxes	51,000	—
Net Income (Loss)	$ 1,431,000	$ (581,000)
Extraord. gain	119,000	—
Net Income (Loss) & extraord. gain	$ 1,550,000	$ (581,000)

* Included in Costs and Expenses, Depreciation and Amortization: $682,000 in 1989 and $707,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 988,000	$ 2,063,000
Accts. receiv., net	2,084,000	1,880,000
*Inventories	3,393,000	2,894,000
Other curr. assets	102,000	229,000
Current assets	$ 6,567,000	$ 7,066,000
#Fixed assets	2,531,000	2,881,000
Other assets	252,000	771,000
Total Assets	$ 9,350,000	$ 10,718,000

Liabilities

Long-term debt. curr.	$ 100,000	$ 1,037,000
Accts. payable	1,999,000	2,193,000
Accrued payroll	260,000	322,000
Accrued interest	246,000	357,000
Income taxes	80,000	—
Net liab. of discont. oper.	78,000	189,000
Curr. Liabilities	$ 2,763,000	$ 4,098,000
Long-term debt	4,556,000	6,330,000
Net liab. of discont. oper.	442,000	731,000
Other liabilities	862,000	1,045,000
+ Common stock	817,000	781,000
Add. paid-in capital	22,000	919,000
Retained earnings (deficit)	88,000	(1,266,000)
Treasury stock	(200,000)	(1,920,000)
Total Liabilities & Shareholders' Equity	$ 9,350,000	$ 10,718,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0 25 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.67	—
%Net Income to Sales	9.34	—
Sales to Inventories	4.52	5.41
Working Capital	$ 3,804,000	$ 2,681,000
Current Ratio	2.38	1.59
Shareholders' Equity (Deficiency)	$ 727,000	$ (1,486,000)

Semtech Corporation

652 Mitchell Road
Newbury Park, California 91320
(805) 498-2111
FAX: (805) 498-3804

Officers: John D. Poe, president, chief exec. officer; Steven M. Otterbeck, v.p., chief financial officer, secretary & treasurer; Raymond E. Bregar, vice president; Michael A. Povey, v.p. & general mgr.-Semtech Ltd.; Tom Lewis, vice president; Earl Hultz, Jr., v.p.-sales & marketing; Gisela Auchter, asst. secretary.

Directors: John D. Poe, Judith R. Nelson, Rock N. Hankin.

Areas of Work: Manufactures silicon rectifiers, rectifier assemblies, high-voltage monolithic capacitors and related devices which are used mainly to convert alternating current into direct current. These products are also used in electrical circuits to limit or regulate voltage or to protect other devices or systems by absorbing or diverting electrical energy.

Subsidiaries:

Semtech Ltd.
Newark Road South
Eastfield
Glenrothes, Fife KY74NS, Scotland

Polycore Electronics, Inc.
1107 Tourmaline Drive
Newbury Park, California 91320
Engaged in the fabrication of silicon wafers.

Transfer Agent(s):

First Interstate Bank
707 Wilshire Blvd.
Los Angeles, California 90017

Stock Exchange(s): American

Ticker Symbol: SMH

N.A. -- Not Available.

Sales & Earnings

	Net Sales	Net Income †
1990	$ 18,812,000	$ 840,000
1989	19,130,000	1,681,000
1988	15,612,000	1,059,000
1987	11,924,000	179,000
1986	12,956,000	(865,000)

	No. of Com. Shares	Earn. per Share † ‡
1990	4,184,746	$ 0.20
1989	3,224,696	0.54
1988	2,891,416	0.38
1987	2,465,790	0.08
1986	1,831,490	—

(Loss)
† Including extraordinary gain of $442,000 ($0.16 per share) in 1988.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 10,942,000	$ 2.61
1989	9,186,000	2.85
1988	7,292,000	2.52
1987	5,731,000	2.32
1986	4,890,000	2.67

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 18,812,000	$ 19,130,000
Cost of sales	12,714,000	11,712,000
Expenses:		
Sell., gen. & adm.	4,640,000	4,845,000
Prod. develop. & eng.	390,000	432,000
Interest expense	312,000	301,000
Other income	(177,000)	(100,000)
Income before taxes	$ 933,000	$ 1,940,000
Income taxes	93,000	289,000
Cum. effect of acct. change	—	(30,000)
Net Income	$ 840,000	$ 1,681,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,235,000 in 1990 and $802,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash invest.	$ 2,035,000	$ 1,724,000
Receiv., net	3,027,000	2,883,000
Refund. inc. taxes	—	43,000
*Inventories	4,261,000	4,357,000
Other curr. assets	142,000	86,000
Current Assets	$ 9,465,000	$ 9,093,000
#Fixed assets	5,253,000	4,730,000
Other assets	628,000	718,000
Total Assets	$ 15,346,000	$ 14,541,000

Liabilities

Long-term debt, curr.	$ 378,000	$ 351,000
Accts. payable	525,000	610,000
Accruals	997,000	1,021,000
Income taxes payable	180,000	233,000
Curr. Liabilities	$ 2,080,000	$ 2,215,000
Long-term debt	2,233,000	3,048,000
Deferred inc. taxes	91,000	92,000
+Common stock	57,000	47,000
Add. paid-in capital	7,433,000	6,504,000
Retained earnings	3,549,000	2,709,000
Currency transl. adj.	(97,000)	(74,000)
Total Liabilities & Shareholders' Equity	$ 15,346,000	$ 14,541,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.96	10.14
%Net Income to Sales	4.47	8.63
%Net Income to Equity	7.68	17.97
Sales to Inventories	4.41	4.39
Debt to Equity	0.24	0.37
Working Capital	$ 7,385,000	$ 6,878,000
Current Ratio	4.55	4.11
Shareholders' Equity	$ 10,942,000	$ 9,186,000

Sensormatic Electronics Corporation

500 N.W. 12th Avenue
Deerfield Beach, Florida 33442
(305) 427-9700
FAX: (305) 428-9253

Officers: Ronald G. Assaf, chairman of the board, president & chief executive officer; James E. Lineberger, chairman of the executive committee; Michael E. Pardue, exec. v.p. & chief operating officer; William G. Weider, v.p.-customer service; Olin S. Giles, v.p.-engineering; Dennis C. Gillette, sr. v.p.; John Daut, v.p.-manufacturing; Anthony G. Guiliano, v.p.-industrial sales; Lawrence J. Simmons, v.p.-finance; Albert R. Tate, Jr., v.p.-sales, West; Miguel A. Flores, treasurer & secretary; Henry Wurtele, v.p.-sales, East; Gerd Witter, pres.-Senelco Europe.

Directors: Ronald G. Assaf, chairman; James E. Lineberger, Arthur G. Milnes, Jerome M. LeWine, Arthur S. Nicholas.

Areas of Work: Primarily engaged in the business of manufacturing, marketing and servicing electronic article surveillance (EAS) systems and microprocessor-controlled closed-circuit television systems which are used to deter shoplifting and internal theft in retail stores as well as other security applications.

Subsidiaries:

Senelco France S.A.
Rungis, France

Senelco (Benelux) S.A.
Pastoor Cooremansstraat 3
1720 Groot Bijgaarden, Belgium

Senelco Austria
Handelszentrum 257
5101 Salzburg - Bergheim, Austria

Senelco Italia S.r.l.
Andrea Doria, 28sto 15
I-20124 Milan, Italy

Sensorm[illegible] Electronics Corp. (Puerto Rico)
Pridco T-1236
State Road No. 125
Moca 00716 Puerto Rico

Senelco Netherlands B.V.
Sterrebaan 4
3606 E B Maarsen, Netherlands

Senelco Iberia S.A.
Marques de Monistrol 7
28011 Madrid, Spain

Senelco A.G.
Gewerbestrasse 8
P.O. Box 458
6330 Chom, Switzerland

Senelco GmbH
Broichhofstr, 5
4030 Ratingen 1/Dusseldorf, West Germany

Senelco Limited (51% interest)
Dormey House, Upton Road
Slough, Berkshire, England, SL1 2AD
Distributes the Company's products in the U.K., Australia and New Zealand.

Senelco Pty. Ltd.
PO Box 718
Neutral Bay 2089
New South Wales, Australia

Senelco (Hong Kong) Ltd.
Suite 1204, Shanghai Industrial Investment Bldg.
48-62 Hennesey Road
Hong Kong

Senelco (N.Z.) Ltd.
P.O. Box 37-700
Parnell, Auckland, New Zealand

Senelco (Pty) Ltd.
Room 16, Centro City
11 Trump Street
Selby 2001, Johannesburg, Republic of South Africa

Identitech Corporation
500 N.W. 12th Avenue
Deerfield Beach, Florida 33442
Formed to manufacture an advanced anti-theft electronic article surveillance product line for the protection of hard goods merchandise in retail and other markets.

Continental Instruments Corporation
Westbury, New York

Point of Sale Data Products, Inc.
9515 Harborview Drive N.W.
Gig Harbor, Washington 98335-0058
Distributes point-of-sale scanning devices and specializes in the supply of systems which are custom-interfaced to the customers' point-of-sale applications.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNSR (NASDAQ)

Number of Employees:

1989	1,300
1988	1,030
1987	939
1986	1,046
1985	1,157

Sales & Earnings

	Revenues	Net Income
1989	$ 150,904,000	$ 16,688,000
1988	122,883,000	(10,612,000)
1987	95,294,000	11,149,000
1986	81,892,000	(5,974,000)
1985	82,695,000	4,371,000

	No. of Com. Share	Earn. per Share ‡
1989	27,413,000	$ 0.60
1988	27,605,000	—
1987	28,262,000	0.39
1986	27,982,000	—
1985	27,868,000	0.16

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	0.050	—	
1988	0.050	—	—
1987	0.050	—	—
1986	0.050	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 192,028,000	$ 7.00
1988	179,556,000	6.50
1987	195,833,000	6.93
1986	182,344,000	6.52
1985	186,747,000	6.70

Income Account

Year ended May 31	1989	1988
Revenues	$ 150,904,000	$ 122,883,000
Cost of sales	61,656,000	49,706,000
Expenses	63,726,000	49,326,000
Depreciation	6,712,000	3,941,000
Other oper. exp.	639,000	1,257,000
Int. income	(5,448,000)	(6,768,000)
Int. expense	1,026,000	723,000
Other expense	1,229,000	254,000
Income bef. taxes	$ 21,364,000	$ 24,444,000
Income taxes	4,400,000	5,800,000
Eq. in loss of affil.	256,000	2,435,000
Inc.-cont. oper.	$ 16,708,000	$ 16,209,000
Loss-discont. oper.	(20,000)	(26,821,000)
Net Income (Loss)	$ 16,688,000	$ (10,612,000)

Assets

As of May 31	1989	1988
Cash	$ 53,126,000	$ 67,406,000
Accts. receiv, net	76,281,000	67,750,000
#Fixed assets:		
Revenue equip.	64,602,000	41,747,000
Other	21,105,000	16,179,000
Investments	—	14,217,000
Patents	14,156,000	2,379,000
Costs in exc. of assets acq.	15,884,000	3,034,000
Deferred charges & other assets	9,922,000	10,084,000
Total Assets	$ 255,076,000	$ 222,796,000

Liabilities

	1989	1988
Debt	$ 15,539,000	$ 7,244,000
Accts. payable	11,578,000	5,494,000
Accruals	18,622,000	15,972,000
Income taxes	11,858,000	9,100,000
Deferred income taxes	5,451,000	5,430,000
+Common stock	290,000	284,000
Add. paid-in capital	126,893,000	123,476,000
Retained earnings	82,146,000	66,823,000
Treasury stock	(14,362,000)	(6,953,000)
Foreign curr. trans.	(361,000)	2,566,000
Notes receiv. - stock sale	(2,578,000)	(6,640,000)
Total Liabilities & Shareholders' Equity	$ 255,076,000	$ 222,796,000

# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	8.69	—
Debt to Equity	0.08	0.04
Shareholders' Equity	$ 192,028,000	$ 179,556,000

Sequa Corporation

(formerly Sun Chemical Corporation)

200 Park Avenue
New York, New York 10166
(212) 986-5500
FAX: (212) 370-1969

Officers: Norman E. Alexander, chairman of the board & chief exec. officer; Robert E. Davis, president & chief operating officer; Stuart Z. Krinsly, sr. exec. v.p. & general counsel; Gerald S. Gutterman, exec. v.p.-finance & administration; Harry Brill-Edwards, sr. v.p.-gas turbine operations; Dennis M. Libutti, sr. v.p.-machinery & metal coatings; Martin Weinstein, sr. v.p.-gas turbine operations; Ronald H. Wright, sr. v.p.-Kollsman; Monroe Adlman, v.p.-taxes; Joseph C. Allwarden, v.p.-Automotive Products; Donald S. Bunin, v.p.-engineering & environment; Kenneth A. Drucker, v.p. & treasurer; William P. Ksiazek, v.p. & controller; Linda G. Kyriakou, v.p.-corp. communications; William E. Morris, v.p.; David J. O'Brien, v.p.-financial services; John J. Quicke, v.p.-financial projects; Stanley W. Rosen, v.p.-industrial relations & personnel; Richard P. Schneider, v.p.-corp. development; Ira Schreger, corp. secretary; Jenny S. Kade, asst. treasurer; Kevin C. O'Neil, asst. secretary.

Directors: Norman E. Alexander, chairman; A. Leon Fergenson, Robert E. Davis, Raymond Frankel, Alvin Dworman, A. Leon Fergenson, Raymond Frankel, David S. Gottesman, Stuart Z. Krinsly, Donald D. Kummerfeld, Richard S. LeFrak, Fred R. Sullivan, Gerald Tsai, Jr..

Areas of Work: Manufactures and repairs components for gas turbine (jet) engines. Also manufactureselectronic and electro-opyical devices for military weapons, including night vision systems and aircraft fighter training units; avionics products including flight deck instruments and automated equipment test sets; medical equipment including automated blood analyzers; rocket motors and propellants for missiles; automotive cigarette lighters for cars, trucks and recreational vehicles; high speed equipment used to form two-piece food and beverage cans and to decorate two-piece cans; pump parts and primary cementing equipment for the petroleum industry; and specialty chemicals. The company is also engaged in marine transport and metal coating operations.

Divisions and Subsidiaries:

Gas Turbine Group

Chromalloy Gas Turbine Corporation
4430 Director Drive
P.O. Box 200150
San Antonio, Texas 78220
(512) 333-6010

Blaisdell Road
Orangeburg, New York 10962
(914) 359-4700

Kollsman

Kollsman Division
220 Daniel Webster Highway
Merrimack, New Hampshire 03054
(603) 889-2500

Kollsman Avionics
Kollsman Military Systems
Kollsman Systems Management

Kollsman Manufacturing Company
10 Columbia Drive
Amherst, New Hampshire 03031
(603) 880-7746

Atlantic Research Corporation
5390 Cherokee Avenue
Alexandria, Virginia 22312
(703) 642-4000

Arkansas Propulsion Division
Highland Industrial Park
Building M85 Complex
East Camden, Arkansas 71701
(501) 574-0810

Virginia Propulsion Division
5945 Wellington Road
Gainesville, Virginia 22065
(703) 642-6000

Defense Systems Division
1375 Piccard Drive
Rockville, Maryland 20850
(301) 670-2000

C3I Systems Division
2440 Research Boulevard
Rockville, Maryland 20850
(301) 258-5300

Information Systems Division
2440 Research Boulevard
Rockville, Maryland 20850
(301) 590-0001

Machinery and Metal Coatings

Rutherford Machinery Division
401 Central Avenue
East Rutherford, New Jersey 07073
(201) 933-1200

Materials Equipments Graphiques
32-34 rue des Malines
Z.I. Les Malines
91 Lisses-Evry, France
(33-1)64977575

Precoat Metals Division
4301 S. Spring Avenue
St. Louis, Missouri 63116
(314) 352-8000

Special Products Engineering Company
50 Shawmut Road
Canton, Massachusetts 02021
(617) 821-4430

Standun Canforming Systems
2943 East Las Hermanas Street
Rancho Dominguez, California 90221
(213) 537-5230

Transportation

Marine Transportation Group

The Valley Line Company
120 South Central Avenue
St. Louis, Missouri 63015
(314) 889-0100

Sabine Towing and Transportation Co.
7200 Highway 87
Port Arthur, Texas 77642
(409) 962-0201

Specialty Chemicals

Sequa Chemicals, Inc.
One Sequa Drive
Chester, South Carolina 29706
(803) 385-5181

Sequa Plc
147 London Road
Kingston upon Thames
Surrey KT2 6NG, England
(44-1)549-1755

Warwick International Limited
Wortley Moor Road
Leeds LS12 4JE, England
(44-0532)63733

Automotive Parts

Casco Products Corporation
512 Hancock Avenue
Bridgeport, Connecticut 06605
(203) 366-4511

Engineered Services

Gemoco Division
202 Industrial Boulevard
Houma, Louisiana 70361
(504) 872-3265

Sturm Machine Company
1305 Main Street
Barboursville, West Virginia 25504
(304) 736-3476

Financial Services

Sequa Capital Corporation
420 Lexington Avenue
New York, New York 10170
(212) 983-4250

SunRise Insurance Limited
Collymore Rock
Bridgetown, Barbados, West Indies
(809) 426-1442

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: SQA A, SQA B and SQA PF

Number of Employees:

1989	17,700	1986	15,700
1988	16,115*	1985	8,000
1987	16,800		

*Continuing operations only.

Plant Footage:

1989	N.A.	1987	4,907,000
1988	4,783,000 sq. ft.		

N.A.- Not Available

Sales & Earnings

	Revenues + (000's)	Net Income (000's)
1989	$ 1,602,100	$ 55,900
1988	1,742,700	68,600
1987	1,170,700	47,200
1986	376,300	160,100
1985	326,600	4,100

	No. of Com. Shares	Earn. per Share #
1989	10,915,000	$ 5.10
1988	10,915,000	6.04
1987	10,926,000	3.95
1986	10,827,000	19.90
1985	7,807,374	0.52

+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Aerospace	$ 1,136,101	$ 965,039
Machinery & metal coatings	232,624	212,965
Transportation	145,143	136,744
Specialty chemicals	141,296	141,732
Prof. serv. & other	248,699	254,961
Financial services	55,292	31,305
Total	$ 1,959,155	$ 1,742,746

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.10	—	—
1988	1.10	—	
1987	1.10	—	—
1986	0.48	—	—
1985	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 673,451,000 †	$ 61.70
1988	667,320,000 †	61.14
1987	640,832,000 †	58.65
1986	598,434,000 †	55.27
1985	192,123,000	24.61

† After allowing for preferred stock at involuntary liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,602,118	$ 1,411,894
Operating revenues	301,745	299,547
Fin. services revenues	55,292	31,305
Total income	$ 1,959,155	$ 1,742,746
Cost of sales	1,223,814	1,042,579
Cost of oper. revenues	239,457	247,619
Cost of fin. serv. rev.	32,166	17,562
Expenses	269,072	255,587
Interest expense	60,942	61,387
Interest income	(5,059)	(5,263)
Loss on sale of minority int.	15,109	—
Other expense	12,146	1,476
Inc. bef. taxes	$ 111,508	$ 121,799
Income taxes	51,000	49,072
Inc.-cont. oper.	$ 60,508	$ 72,727
Loss-discont. oper.	(4,637)	(4,080)
Net Income	$ 55,871	$ 68,647

* Included in Costs and Expenses, Depreciation and Amortization: $83,399,000 in 1989 and $74,428,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 83,303	$ 64,174
Short-term invest.	3,585	4,659
Accts. & notes receiv. net	229,830	200,055
Unbilled receivables	151,226	84,438
*Inventories	305,530	259,970
Assets-discont. oper.	31,462	100,835
Invest. in leasing asset	59,586	31,709
Other curr. assets	80,093	39,797
Curr. Assets	$ 944,615	$ 785,637
Investments	453,392	310,244
#Fixed assets	527,019	445,678
Defer. charges	24,061	16,051
Exc. of cost over assets acq.	395,219	403,680
Total Assets	$ 2,344,306	$ 1,961,290

Liabilities
(000's)

Bank loans & notes pay.	$ 1,432	$ 43,113
Long-term debt, curr.	44,562	37,916
Accts. payable	169,387	142,170
Income taxes	17,606	597
Accrued expenses	217,525	202,604
Curr. Liabilties	$ 450,512	$ 426,400
Long-term debt	922,572	630,767
Deferred inc. taxes	83,936	51,089
Other liabilities	182,239	152,543
+Preferred stock	797	797
++Common stock	10,915	10,915
Add. paid-in capital	301,165	302,929
Cum. trans. adjust.	462	4,352
Retained earnings	464,710	418,317
Treasury stock	(73,002)	(36,819)
Total Liabilties & Shareholders' Equity	$ 2,344,306	$ 1,961,290

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $1 par value; $5 cumulative convertible.
++ No par value.

Statistical Summary

%Net Income to Equity	7.92	9.80
Debt to Equity	1.37	1.02
Working Capital	$ 494,103,000	$ 359,237,000
Current Ratio	2.10	1.84
Shareholders' Equity	$ 705,047,000	$ 700,491,000

Servo Corporation of America

(Went private via a leveraged buyout on March 1, 1989.)

111 New South Road
Hicksville, New York 11802
(516) 938-9700

Officers: Henry Blackstone, chairman of the board; Stephen A. Barre, president & chief exec. officer; Louis A. Gallina, sr. v.p.-operations; Walter W. Weeden, Jr., sr. v.p.-transportation products; Edward V. Mollichelli, sr. v.p.-electronic systems; Robert J. Stalzer, sr. v.p.-administration & finance & asst. secretary; Harry P. Bifulco, Jr., sr. v.p.-engineering; John A. Little, sr. v.p.-infrared/electro-optic products; Brian J. Smith, controller; Edgar W. Tappen, Jr., treasurer; William L. Maher, secretary.

Directors: Henry Blackstone, chairman; Stephen A. Barre, Alan J. Strassman, Floyd A. Lyon, Emil N. Block, Jr..

Areas of Work: Engaged in the design and manufacture of infrared/electro-optical components such as infrared detectors; radio frequency systems and components; direction finder systems used in aviation air traffic control operations; meteorological systems; microwave amplifiers, signal generators, devices employed to monitor and locate dangerous axle conditions on moving rail cars; automatic railroad car identification systems.

Subsidiaries:

Servo International, Inc. (FSC)
Hicksville, New York

Applied Research Inc.
160 Dupont
Plainview, New York
(516) 349-7200

Designs and manufactures radio frequency systems and components, comprising telemetry transmitters and receivers, and a wide variety of RF filters, oscillators, attenuators, converters, multicouplers and preamplifiers.

Number of Employees:

1988	270	1986	228
1987	232		

Plant Footage:

1988	134,000 sq. ft.	1986	134,000
1987	134,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 20,401,008	$ (96,356)
1987	16,602,786	456,174
1986	18,266,856	1,133,048
1985	14,980,496	544,872
1984	12,547,151	83,084

	No. of Com. Shares		Earn. per Share ‡
1988	697,112	$	—
1987	697,228		0.62
1986	685,799		1.52
1985	680,571		0.77
1984	665,071		0.12

(Loss)
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1988	$	7,289,334	$	10.46
1987		7,395,265		10.61
1986		6,933,098		10.11
1985		6,141,920		9.02
1984		5,538,479		8.33

Income Account *

Year ended Oct. 31		1988		1987
Net sales	$	20,401,008	$	16,602,786
Cost of sales		12,958,995		10,269,707
Expenses		6,999,214		5,915,585
Oper. profit	$	442,799	$	417,494
Other income		123,567		147,840
Total	$	566,366	$	565,334
Interest expense		276,315		69,160
Merger rel. expenses		709,457		—
Inc. (loss) before taxes	$	(419,406)	$	496,174
Income taxes (credit)		(323,050)		40,000
Net Income (Loss)	$	(96,356)	$	456,174

* Included in Costs and Expenses, Depreciation and Amortization: $333,363 in 1988 and $354,820 in 1987.

Assets

As of Oct. 31		1988		1987
Cash and cash equiv.	$	501,484	$	1,370,396
Accts. receiv., net		3,760,687		3,127,074
*Inventories		9,477,837		3,843,516
Inc. taxes receivable		566,846		541,116
Prepaid expenses		206,029		220,497
Current Assets	$	14,512,883	$	9,102,599
Goodwill		237,368		266,140
#Fixed assets		2,038,928		1,488,062
Other assets		490,333		451,304
Deferred tax benefits		177,108		239,000
Total Assets	$	17,456,620	$	11,547,105

Liabilities

Long-term debt, curr.	$	—	$	3,378
Short-term borrowings		4,300,000		875,000
Accts. payable		2,769,035		1,064,722
Accruals		1,099,912		1,065,639
Customer advances		1,160,383		—
Income taxes payable		37,605		—
Deferred inc. tax liab.		91,403		165,000
Excess amts. receiv. - U.S. gov't. contracts		90,342		90,342
Curr. Liabilities	$	9,548,680	$	3,264,081
Cust. advance		—		300,000
Long-term debt		370,856		315,009
Deferred comp.		247,750		272,750
+Common stock		697,112		697,228
Add. paid-in capital		1,221,768		1,192,945
Retained earnings		5,370,454		5,505,092
Total Liabilities & Shareholders' Equity	$	17,456,620	$	11,547,105

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		—		2.99
%Net Income to Sales		—		2.75
%Net Income to Equity		—		6.17
Sales to Inventories		2.15		4.32
Debt to Equity		0.64		0.16
Working Capital	$	4,964,203	$	5,838,518
Current Ratio		1.52		2.79
Shareholders' Equity	$	7,289,334	$	7,395,265

SFE Technologies

1501 First Street
San Fernando, California 91340-2793
(818) 361-1176
FAX: (818) 365-5117

Officers: William P. Kuehn, chairman of the board & chief exec. officer; Jerome J. Jahn, exec. v.p., chief financial officer & secretary; Michael A. Rosenberg, president & chief operating officer.

Directors: William P. Kuehn, chairman; Donald E. Rubendall, Jerome J. Jahn, Michael A. Rosenberg, Oren Lane, Donald E. Butler, Richard H. Green.

Areas of Work: Designs, manufactures and markets passive electronic components, including multi-layer ceramic capacitors and wound-film capacitors, magnetic components and frequency interference filters. The products are used in telecommunications, consumer electronics, data procesing, automotive and aerospace applications. The Company also designs and produces circuit assemblies utilizing surface mount technology (SMT).

Divisions:

San Fernando Electric Division
1501 First Street
San Fernando, California 91340
(818) 365-9411

Manufactures multilayer ceramic capacitors and a broad range of EMI/RFI filters.

Subsidiaries:

West-Cap Arizona
2201 East Elvira Road
P.O. Box 11277
Tuscon, Arizona 85706
(602) 294-2646

Produces wound-film capacitors and various magnetic components, including inductors, radio frequency coils, chokes, transformers and various specialty products.

West-Cap Sales International
1501 First Street
San Fernando, California 91340
(818) 365-9411

West-Cap Arizona de Mexico S.A. de C.V.
Nogales, Sonora, Mexico

Orchard Electronics, Inc.
9280 Davidson Highway
Concord, North Carolina 28025
(704) 786-0100

Designs and produces circuit assemblies featuring surface mount technology.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SFEM (NASDAQ)

Number of Employees:

1989	980	1986	1,500
1988	1,150	1985	1,950
1987	1,480		

Plant Footage:

1989	280,000 sq. ft.	1986	313,000
1988	280,000	1985	400,000
1987	313,000		

Sales & Earnings

		Net Sales		Net Income †
1989	$	30,409,000	$	(9,713,000)
1988		36,182,000		(4,268,000)
1987		39,482,000		(5,666,000)
1986		42,672,000		(15,889,000)
1985		57,024,000		(4,989,000)

	No. of Com. Shares ‡		Earn. per Share † ‡
1989	6,774,000	$	—
1988	6,656,000		—
1987	6,604,000		—
1986	6,282,000		—
1985	6,255,000		—

(Loss)
† Including extraordinary gains of $683,000 in 1988 and $2,620,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

		Cash Dividend +	Stock Dividend	Stock Split
1989	$	—	—	—
1988		—	—	
1987		—	—	—
1986		—	—	—
1985		0.10	4%	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

		Total Equity		Equity Per Share +
1989	$	7,836,000	$	1.16
1988		17,336,000		2.60
1987		21,311,000		3.23
1986		26,709,000		4.25
1985		41,677,000		6.66

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Oct. 31		1989		1988
Net sales	$	30,409,000	$	36,182,000
Cost of sales		24,787,000		32,861,000
Expenses		6,452,000		6,817,000
Other expense (income)		363,000		(405,000)
Interest expense		1,520,000		1,460,000
Prov. for loss on disposal of division		—		400,000
Prov. for disposal of exc. inventory		7,000,000		—
Net Loss	$	(9,713,000)	$	(4,951,000)
Extraord. gain.		—		683,000
Net Loss & extraord. gain	$	(9,713,000)	$	(4,268,000)

* Included in Costs and Expenses, Depreciation and Amortization: $2,697,000 in 1989 and $3,247,000 in 1988.

Assets

As of Oct. 31	1989	1988
Cash	$ 230,000	$ 168,000
Accts. receiv., net	6,324,000	5,658,000
*Inventories	10,203,000	17,698,000
Prepaid expenses	25,000	28,000
Current Assets	$ 16,782,000	$ 23,552,000
#Fixed assets	13,145,000	15,484,000
Note receivable	1,723,000	2,500,000
Other assets	564,000	940,000
Total Assets	$ 32,214,000	$ 42,476,000

Liabilities

	1989	1988
Long-term debt, curr.	$ 14,829,000	$ 15,321,000
Bank loans and other debt	765,000	748,000
Accts. payable	4,107,000	3,494,000
Other accrued expenses	3,648,000	3,697,000
Curr. Liabilities	$ 23,349,000	$ 23,260,000
Long-term debt	381,000	504,000
Deferred comp.	101,000	77,000
Deferred royalty income	—	250,000
Other liabilities	547,000	1,049,000
+ Common stock	6,851,000	6,688,000
Add. paid-in capital	40,206,000	40,268,000
Ret. earnings (deficit)	(38,544,000)	(28,831,000)
Reduc. of stock equity due to debt guarantee	(677,000)	(939,000)
For. curr. trans. adj.	—	150,000
Total Liabilities & Shareholders' Equity	$ 32,214,000	$ 42,476,000

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
Sales to Inventories	2.04	2.04
Debt to Equity	2.04	0.96
Working Capital	—	$ 292,000
Current Ratio	—	1.01
Shareholders' Equity	$ 7,836,000	$ 17,336,000

Sharp Corporation

22-22, Nagaike-cho
Abeno-ku
Osaka 545, Japan

Officers: Haruo Tsuji, president; Taizo Katsura, sr. exec. v.p.; Atsushi Asada, sr. exec. v.p.; Katsuhiko Ida, sr. exec. director; Kozo Hayashi, sr. exec. director; Yutaka Wada, sr. exec. director; Ichiro Fujimoto, sr. exec. director; Tadahiko Ishino, exec. director; Minoru Miyuki, exec. director; Kiyoshi Sakashita, exec. director; Kazuo Kubo, exec. director; Ichiro Tochigi, exec. director.

Areas of Work: Optoelectronics Technology: The Company has developed a high-definition TFT active matrix color liquid crystal display, ushering in the age of liquid crystal image devices. The Company developed a thin-film crystal EL panel, with high definition comparable to that of a liquid crystal display. Sharp solar cells are employed in ground-based applications such as unattended lighthouses and telemetering stations; consumer electronics such as desk-top calculators and battery chargers; and artificial satellites. Other optical devices include laser diodes, production of which is among the largest in the world, rewritable magneto-optical disks, LEDs, CCDs, OPIC light-receiving devices, photo couplers, and photo diodes. The Company has developed a 14-inch color LCD and a 100-inch LCD projector. The Company is developing a three-dimensional circuit consisting of many layers of circuitry with an imaging sensor in the uppermost layer.

TV and Video Systems Group: The Company manufactures color TVs, VCRs, and camcorders. The Company has developed a 12x zoom camcorder, a 46-inch projection TV and large-screen audiovisual TVs with the superior resolution of 750 horizonal lines (via video input terminal).

Audio systems group: The Company manufactures Compact Disc related products, mainly radio cassette tape recorders and stereos and telephones. The Company is developing multi-feature product lines, such as CD-cassette radios, CD stereo systems, and headphone stereo units with high-quality sound and multiple editing functions and by combining these ranges with visual units. The division also commercialized and expanded sales of low-power cordless telephones while creating a greater variety of multi-function message-taking machines with high added value.

Appliances Systems Group: The Company manufactures seasonal products, such as home air conditioners and kerosene fan heaters and the major white products -- washing machines and vacuum cleaners. The Company has developed inverter microwave ovens and grill microwave ovens with rotisseries.

Information systems group/printing and reprographic systems group: The Company offers a wide variety of products ranging from information-related tools for personal use to office systems, POS systems, and factory automation; electronic organizers and facsimile machines. The Company offers the integrated information system SS-NET, which implements bi-directional rapid transmission of voices, images and data over telephone lines, and an English-to-Japanese machine translation system capable of reading with an OCR. The Company is also offering more color office automation equipment, such as high-quality, full-color plain paper copiers, color scanners with high resolution, and color word processors.

Integrated circuits group: The Company is a supplier of masked read-only memories (ROMs), and promotes 1-, 2-, and 4-megabit versions of masked ROMs, as well as surface-mounting versions and other new kinds of dynamic and static random access memories (DRAMs and SRAMs). Advanced microprocessors that enable parallel processing were a chief focus of the Company's vigorous R&D in ICs.

Electronic components group: The Company broadened the applicability of LCDs by incorporating original double super twist liquid crystal technology in a large dot-matrix LCD for personal computers and other office equipment. In addition, the Company introduced a high-resolution color LCD unit that has supported advances in liquid crystal TVs and VCRs.

Domestic subsidiaries:

Sharp Electronics Sales Corporation

Sharp Finance Coporation

Sharp System Products Co., Ltd.

Sharp Precision Machinery Co., Ltd.

Nichi-Nippon Sharp Equipment Aparatus Co., Ltd.

Sharp Engineering Corporation

Sharp System Service Co., Ltd.

Sharp Niigata Electronics Corporation

Foreign subsidiaries:

Sharp Electronics Corporation (New Jersey, U.S.A.)

Sharp Electronics (Europe) GmbH, (Hamburg, F.R. Germany)

Sharp Electronics (U.K.) Limited (Manchester, U.K.)

Sharp Corportion of Australia Pty. Ltd. (New S.Wales, Aust.)

Sharp Electronics of Canada Ltd. (Ontario, Canada)

Stock Exchange(s): Tokyo, Osaka, Paris, Luxembourg, Zurich, Basel, Geneva.

Number of Employees:

1989	32,298
1988	29,351
1987	29,346
1986	28,873
1985	28,221

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	¥1,238,401,000	¥ 29,103,000
1988	1,077,836,000	20,341,000
1987	1,038,355,000	20,775,000
1986	1,149,085,000	35,935,000
1985	1,105,405,000	39,903,000

	No. of Com. Shares	Earn. per Share +
1989	949,634,000	¥ 31.07
1988	907,914,000	23.42
1987	736,924,000	25.22
1986	733,208,000	43.85
1985	731,263,000	49.56

¥ - Yen
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥11.00	—	—
1988	11.00	—	
1987	11.00	—	—
1986	11.00	—	—
1985	11.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	¥ 534,758,000	¥ 563.12
1988	477,925,000	526.40
1987	390,107,000	529.37
1986	379,471,000	517.55
1985	357,891,000	489.41

Income Account *
(millions)

Year ended Mar. 31	1989	1988
Net sales	¥ 1,238,401	¥ 1,077,836
Other income	20,497	18,054
Total income	¥ 1,258,898	¥ 1,095,890
Cost of sales	943,063	842,474
Expenses	262,093	221,272
Interest income	(71,342)	(71,458)
Interest expense	58,086	57,317
Gain on sale of securities	(2,637)	(6,891)
Bond issuance cost	—	2,628
Other expense	2,612	5,588
For. curr. trans.	(1,563)	(3,889)
Income before taxes	¥ 68,586	¥ 48,849
Income taxes	39,483	28,508
Net Income	¥ 29,103	¥ 20,341

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 68,449,000,000 in 1989 and ¥ 61,268,000,000 in 1988.

Assets
(millions)

As of Mar. 31	1989	1988
Cash & cash equiv.	¥ 87,521	¥ 8,331
Time deposits	100,735	71,064
Short-term invest.	451,087	446,306
Accts. receiv., net	387,814	324,422
*Inventories	224,762	236,278
Other curr. assets	28,610	27,141
Current Assets	¥ 1,280,529	¥ 1,113,542
#Fixed assets	292,757	278,953
Investments & other assets	174,809	212,686
For. curr. trans. adjust.	16,567	13,444
Total Assets	¥ 1,764,662	¥ 1,618,625

Liabilities
(millions)

Short-term debt & long-term debt, curr.	¥ 683,578	¥ 615,433
Notes & accts. payable	332,567	281,943
Accruals	55,128	45,251
Income taxes	20,923	12,631
Other current liabilities	28,378	25,512
Current Liabilities	¥ 1,120,574	¥ 980,770
Long-term debt	96,075	145,797
Est. term. & retire. allow.	8,402	8,750
Other liabilities	4,853	5,383
+Common stock	109,328	90,677
Add. paid-in capital	188,063	169,417
Legal reserve	10,200	9,340
Retained earnings	227,684	208,555
Treasury stock	(517)	(64)
Total Liabilities & Shareholders' Equity	¥ 1,764,662	¥ 1,618,625

* At current production cost in Japan. At lower of cost (FIFO) or market overseas.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.54	4.53
% Net Income to Sales	2.35	2.64
% Net Income to Equity	5.44	5.96
Sales to Inventories	5.51	4.56
Debt to Equity	1.46	1.59
Working Capital (000's)	¥ 159,955,000	¥ 132,772,000
Current Ratio	1.14	1.14
Shareholders Equity (000's)	¥ 534,758,000	¥ 477,925,000

Sheldahl, Inc.

1150 Sheldahl Road
P.O. Box 170
Northfield, Minnesota 55057
(507) 663-8000
FAX: (507) 663-8365

Officers: James S. Womack, chairman & chief executive officer; James E. Donaghy, president & chief operating officer; James H. Kessler, Jr., v.p.-finance & asst. secretary; Richard J. Slater, sr. v.p.-corporate development; Lyle L. Pavlis, v.p.-Orange County operation; Roger D. Quam, v.p.-marketing & Northfield West operation; Edward L. Lundstrom, v.p.-marketing & Northfield East operation; Gerald E. Magnuson, secretary; Gaylan M. Myran, v.p.-Nashua operation; Beverly M. Brumbaugh, v.p.-human resources; John V. McManus, controller; Eric D. Horning, mgr.-Hoskins Products; Gregory D. Closser, dir.-corp. excellence; Mark A. Ester, mgr.-external relations.

Directors: Gerald E. Magnuson, John P. Robinson, Richard S. Wilcox, James S. Womack, John G. Kassakian, Wesley M. Mader, James E. Donaghy, Kenneth J. Roering.

Areas of Work:

Provides technological services and manufacturing to customer specifications; manufactures electrical materials, flexible circuitry, electronic connectors and terminals. Operations are conducted in the following major areas:

Electronic Materials/Engineered Products
Flexible electronic materials are the "raw materials" from which flexible circuits are made. For the most part, they are laminates of metallic foils - commonly copper - bonded to a variety of dielectric substrates as well as coverlay materials to insulate the complete circuit. Both the electronic materials and coverlays are produced by Sheldahl in industrial size rolls, ready for conversion into flexible circuitry components.

Engineered products include aerostats for telecommunications, a "padeye" systems for transloading ships at sea, helicopter blade liners, special fabrications, tambour covers, splicing tapes, coated products, tapes and laminated, and vacuum metalized materials.

Flexible Circuits/Membrane Switches
Flexible circuits are preassembled "interconnect" products - generally free of defects and adaptable to a constantly growing number of applications. Because they are indeed flexible, they can conform to almost any configuration on multiple planes, while retaining their electrical/electronic function. Typical applications for flex circuits include telephones and communication switching equipment, computer memory storage systems, cameras, hand-held calculators, automobiles and medical instrumentation.

Sheldahl's **FLEXSWITCH** membrane switches make up the company's newest product line - for the membrane switch keyboard market. In composition, the **FLEXSWITCH** keyboard consists of a three-layer polyester film sandwich bonded together by means of a special Sheldahl proprietary adhesive. A flexible circuit, an integral part of the membrane switch, provides interconnection. Typical applications for **FLEXSWITCH** include electronic educational devices, control panels for washers and dryers, medical instrumentation control panels, automotive electronics and plain paper copiers.

Through its Nashua operation, the Company manufactures single-side, double-sided, sculptured, multi-layer, ridig-flex circuitry and assemblies for military and commercial applications.

Operations:

Nashua operation
100 Northeastern Boulevard
Nashua, New Hampshire 03062-1901

Northfield East operation
805 North Highway 3
Northfield, Minnesota 55057-0170

Northfield West operation
1150 Sheldahl Road
Northfield, Minnesota 55057-0170

Orange County operation
15771 Redhill Avenue
Tustin, California 92680-7303

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHEL (NASDAQ)

Number of Employees:

1989
1989 1,407
1988 1,257
1987 .... N.A.
1986 700

Plant Footage:

1989 .... 525,000 sq. ft.
1988 465,000
1987 .... N.A.
1986 405,000

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 86,579,000	$ (1,652,797)
1988	83,885,000	1,020,462
1987	79,878,000	676,738
1986	54,212,000	620,778
1985	53,994,000	2,597,028

	No. of Com. Shares #	Earn. per Share ‡ #
1989	4,684,733	$ —
1988	4,665,783	0.22
1987	4,335,586	0.16
1986	4,132,716	0.15
1985	4,347,089	0.60

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $1,004,000 ($0.21 per share) in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1989	1988
Computer & office equipment	$ 22,852,000	$ 25,556,000
Aerospace & defense	28,635,000	28,200,000
Industrial & instrumentation	8,168,000	7,303,000
Automotive	13,926,000	9,575,000
Consumer	11,090,000	9,027,000
Other	1,908,000	4,224,000
Total	$ 86,579,000	$ 83,885,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	3-for-2
1986	—	—	—
1985	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 24,232,663	$ 5.17
1988	25,744,391	5.52
1987	24,579,535	5.67
1986	18,662,111	4.52
1985	20,341,825	4.68

# Base on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account*

Year ended Aug. 31	1989	1988
Net sales	$ 86,579,381	$ 83,884,573
Cost of sales	76,256,043	67,273,681
Expenses	12,087,963	14,526,791
Interest expense	1,068,172	1,176,639
Inc. (loss) bef. taxes	$ (2,832,797)	$ 907,462
Income taxes (credit)	(1,180,000)	363,000
Inc. (loss)-cont. oper.	$ (1,652,797)	$ 544,462
Loss - discont. oper.	—	(528,000)
Net Income (Loss)	$ (1,652,797)	$ 16,462
Extraord. gain	—	1,004,000
Net Income (Loss) & extraord. gain	$ (1,652,797)	$ 1,020,462

* Included in Costs and Expenses. Depreciation and Amortization: $4,753,933 in 1989 and $4,455,145 in 1988.

Assets

As of Aug. 31	1989	1988
Cash	$ 373,591	$ 525,528
Accts. receiv., net	15,033,319	12,906,293
Tax refund receiv.	1,280,000	1,026,235
*Inventories	11,782,322	9,825,437
Tax benefits	615,000	408,000
Prepaid expenses	838,715	561,161
Net assets - discont oper.	589,585	1,252,595
Current Assets	$ 30,512,532	$ 26,505,249
# Fixed assets	24,642,499	25,231,751
Other assets	810,527	790,160
Total Assets	$ 55,965,558	$ 52,250,160

Liabilities

Long-term debt, curr	$ 1,314,067	$ 1,805,996
Accts. payable	7,438,940	4,840,142
Accrued payroll	2,425,202	2,629,762
Other accruals	3,568,686	3,557,833
Curr. Liabilities	$ 14,746,895	$ 12,833,733
Long-term debt	13,780,000	10,995,097
Deferred inc. taxes	3,206,000	2,953,939
+ Common stock	1,173,777	1,167,647
Add. paid-in capital	7,102,957	6,968,018
Retained earnings	15,955,929	17,608,726
Total Liabilites & Shareholders' Equity	$ 55,965,558	$ 52,527,160

* At lower of cost (LIFO) or market.
# Less accummmulated depreciation.
+ $0.25 par value.

Statistical Summary

% Net Income to Equity	—	0.06
Sales to Inventories	7.35	8.54
Debt to Equity	0.62	0.30
Working Capital	$ 15,765,637	$ 13,671,516
Current Ratio	2.07	2.07
Shareholders' Equity	$ 24,232,663	$ 25,744,391

SI Handling Systems, Inc.

Kesslersville Road
P.O. Box 70
Easton, Pennsylvania 18042
(215) 252-7321
FAX: (215) 250-9677

Officers: L. Jack Bradt, chairman of the board; Leonard S. Yurkovic, president & chief executive officer; Joseph Walsh, secretary; Richard G. Modery, v.p.-marketing, field operations & sales; James L. Thatcher, v.p.-operations.

Directors: John R. Boehringer, L. Jack Bradt, Karl-Henry Bergkvist, Leonard S. Yurkovic, Thomas P. Latimer.

Areas of Work: Designs, manufactures, sells and installs mechanized and automated material handling and order selection systems under mechanical, electronic and computer control.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SIHS (NASDAQ)

Number of Employees:

1990	151	1987	205
1989	152	1986	243
1988	159		

Plant Footage:

1990	172,000 sq. ft.	1987	172,000
1989	172,000	1986	172,000
1988	172,000		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 17,534,000	$ 574,000
1989	21,846,000	529,000
1988	21,426,000	(1,278,000)
1987	19,280,000	(1,984,000)
1986	24,989,000	251,000

	No. of Com. Shares	Earn. per Share † ‡
1990	1,467,519	$ 0.39
1989	1,467,519	0.36
1988	1,467,519	—
1987	1,467,519	—
1986	1,491,119	0.17

(Loss)
† Including extraordinary gain of $374,000 ($0.25 per share) in 1986.
‡ Based on the weighted average number of common shares and common equivalent shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	
1988	—	—	—
1987	0.05	—	—
1986	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 5,726,000	$ 3.90
1989	5,152,000	3.51
1988	4,623,000	3.15
1987	5,943,000	4.05
1986	8,105,000	5.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	2/25/90	2/26/89
Net sales	$ 17,534,000	$ 21,846,000
Cost of sales	12,661,000	17,087,000
Expenses	3,656,000	3,893,000
Research & develop	668,000	215,000
Interest expense	130,000	210,000
Interest income	(323,000)	(162,000)
Other expense	168,000	74,000
Net Income	$ 574,000	$ 529,000

* Included in Costs and Expenses, Depreciation and Amortization: $382,000 in 1989 and $527,000 in 1988.

Assets

As of	2/25/90	2/26/89
Cash	$ 2,245,000	$ 2,863,000
Receiv., net	4,723,000	2,678,000
Costs in exc. of billings	834,000	1,442,000
*Inventories	1,866,000	2,006,000
Prepaid expenses	184,000	229,000
Current Assets	$ 9,852,000	$ 9,218,000
#Fixed assets	1,808,000	1,976,000
Note receivable	—	934,000
Other assets	273,000	156,000
Total Assets	$ 11,933,000	$ 12,284,000

Liabilities

Long-term debt, curr.	$ 417,000	$ 503,000
Accts. payable	1,762,000	1,235,000
Cust. deposits	2,018,000	1,918,000
Accrued payroll	347,000	469,000
Income taxes payable	56,000	316,000
Other accruals	686,000	1,353,000
Curr. Liabilities	$ 5,286,000	$ 5,794,000
Long-term debt	921,000	1,338,000
+Common stock	1,527,000	1,527,000
Add. paid-in capital	4,353,000	4,353,000
Retained earnings (deficit)	239,000	(335,000)
Treasury stock	(393,000)	(393,000)
Total Liabilities & Shareholders' Equity	$ 11,933,000	$ 12,284,000

* At lower of cost (average) or replacement market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Sales	3.27	2.42
%Net Income to Equity	10.02	10.27
Sales to Inventories	9.40	10.89
Debt to Equity	0.23	0.36
Working Capital	$ 4,566,000	$ 3,424,000
Current Ratio	1.86	1.52
Shareholders' Equity	$ 5,726,000	$ 5,152,000

Siemens AG

Wittelsbacherplatz 2
D-8000 Munich 2, Federal Republic of Germany
(089) 234-0
FAX: (089)2 34-4242

Managing Board: Karlheinz Kaske, president & chief executive officer; Klaus Barthelt, power transmission & distribution; Karl-Hermann Baumann, corporate finance; Hans Baur, public communications; Hermann Franz, corporate planning & development; Claus Kessler, corporate production & logistics; Gerhard Kuhne, corporate personnel; Horst Langer, industrial and building systems; Hans-Gerd Neglein, Audio and video systems; Gerhard Bornecke, peripherals & terminals; Hans Gunter Danielmeyer, corp. research & development; Erwin N. Hardt, public communications network; Hans Hirschmann, power generation; Wolfgang Keller, power generation: Eberhard Kill, industrial and building systems; Jurgen Knorr, semiconductors: Werner Maly, medical engineering; Anton Peisl, corp. relations; Heinrich von Pierer, power generation; Peter von Siemens, central services Munich; Carl-Heiner Thomas, drives & standard products. m, KWU; Werner Trassl, KWU.

Supervisory Board:

Areas of Work: The Company's Components Group manufactures integrated circuits, discrete semiconductors, passive components, electron tubes, and gas lasers. The Energy and Automation Group provides instrumentation and automation products and systems for industry, utilities, transportation and public authorities. The Electrical Installations and Automotive Systems Group manufactures power cables, installation equipment and lighting systems, electricity meters and heating/air conditioning systems, automotive systems, and provides electrical contracting services. The Communication and Information Systems Group manufactures communications terminals, private communications systems and networks, data systems, and laser printers. The Medical Engineering Group provides X-ray systems, cross-sectional imaging systems and therapy, electromedical systems, dental equipment, and hearing instruments. The Telecommunication Networks and Security Systems Group provides public communication networks, safety and security systems, and manufactures optical fiber cables. The Company is also involved in research and development activities.

Subsidiaries (West Germany):

Osram Gmbh
Berlin and Munich
Dr.-Ing. Rudolf Hell GmbH, Kiel
Vacuumschmelze GmbH, Hanau

Reaktor-Brennelement Union GmbH, Hanau
Interatom GmbH, Bergisch Gladbach
Heimann GmbH, Wiesbaden
Rofin-Sinar Laser GmbH, Hamburg
NRG Nuklearrohr-Gesellschaft mbH, Duisburg

United States Subsidiaries:

Siemens Corporation
New York, New York

Siemens Communication Systems, Inc.
Boca Raton, Florida

Siemens Information Systems, Inc.
Boca Raton, Florida

Siemens Energy & Automation, Inc.
Atlanta, Georgia

Siemens Medical Systems, Inc.
Iselin, New Jersey

Siemens Components, Inc.
Iselin, New Jersey

Siemens KWU, Inc.
New York, New York

Siemens-Bendix Automotive Electronics L.P.
Southfield, Michigan

Associated Companies:

Goldstar Telecommunications Co. Ltd.
(20% interest)
Seoul, South Korea

Osram-GEC Ltd.
(49% interest)
Wembley, England

Siecor Corporation
(50%-owned)
Hickory, North Carolina

NOTE: The Siemens share is listed on all eight German Stock exchanges and on seven other European exchanges.

Number of Employees:

1989	365,000
1988	353,000
1987	359,000
1986	363,000
1985	348,000

Sales & Earnings x

	Revenues (000's)	Net Income (000's)
1989	DM 61,128,000	DM 1,577,000
1988	59,374,000	1,391,000
1987	51,431,000	1,275,000
1986	52,234,000	1,474,000
1985	53,645,000	1,528,000

	No. of Com. Shares	Earn. per Share
1989	48,374,861	DM 32.27
1988	48,028,664	28.96
1987	47,678,000	26.74
1986	47,111,013	31.29
1985	46,811,000	32.64

x - Worldwide operations
DM - Deutsche Mark

Revenues by Line of Business
(000's)

	1989	1988
Energy & automation	DM 14,146,900	DM 12,957,700
Telecommunication networks & security systems	10,950,800	10,525,400
Communication & info. syst.	10,867,100	10,510,300
KWU	9,322,800	12,737,100
Medical engineering	6,185,100	5,327,200
Electrical install. & automotive syst.	5,665,900	4,351,400
Semiconductors	2,257,600	1,557,300
Passive components & electron tubes	1,567,400	1,381,200
Lamp business (Osram)	2,471,300	2,268,500
Other	1,569,400	1,482,400
Intersegment	(3,876,300)	(3,724,200)
Total	DM 61,127,800	DM 59,374,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	DM12.50	—	—
1988	11	—	
1987	11	—	—
1986	12	—	—
1985	12	—	—

Common Stock Equity

	Total Equity # (000's)	Equity Per Share
1989	DM 18,507,000	DM378.66
1988	17,588,000	366.20
1987	16,259,000	341.02
1986	15,713,000	333.53
1985	14,207,000	303.50

# After allowing for preferred stock at par value.

Income Account
(000's)

Year ended Sept. 30	1989	1988
Net sales	DM 61,127,800	DM 59,374,300
Change in inventories	1,544,600	(1,417,400)
Other income	3,815,500	2,950,000
Total income	DM 66,487,900	DM 60,906,900
Cost of sales	25,210,800	22,706,900
Expenses	10,303,400	10,020,300
Depreciation & amortization	4,056,700	3,714,600
Personnel costs	25,904,200	23,847,200
Inc. from invest. in other companies	21,300	(45,500)
Interest income	(1,796,100)	(1,811,700)
Income before taxes	DM 2,787,600	DM 2,475,100
Income taxes	1,210,600	1,084,200
Net Income	DM 1,577,000	DM 1,390,900

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equivalents	DM 1,754,300	DM 1,528,300
Marketable securities	19,485,300	22,439,800
Accts. receiv., net	10,815,100	9,799,600
Other receivables	8,373,100	5,925,000
Inventories	6,887,600	3,917,200
Prepaid expenses	56,200	43,200
Investments	2,645,900	2,341,200
# Fixed assets	13,901,200	13,599,000
Intangibles	477,500	24,000
Total Assets	DM 64,396,200	DM 59,617,300

Liabilities
(000's)

Accts. payable	DM 4,173,100	DM 4,031,600
Accrued pension plan	11,616,100	10,665,000
Other accruals	19,194,200	17,853,600
Long-term debt	4,226,600	3,904,500
Deferred income	225,600	236,200
Other liabilities	6,407,100	5,292,400
+ Preferred stock	46,200	46,200
+ Common stock	2,443,700	2,401,400
Add. paid-in capital	5,199,200	4,815,200
Retained earnings	9,536,900	9,053,400
Unappropr. consol. net inc.	622,500	538,500
Minority interests	705,000	779,300
Total Liabilities & Shareholders' Equity	DM 64,396,200	DM 59,617,300

# Less accumulated depreciation.
+ DM 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.56	4.17
% Net Income to Sales	2.58	2.34
% Net Income to Equity	8.50	7.89
Sales to Inventories	8.88	15.16
Debt to Equity	0.23	0.22
Shareholders' Equity (000's)	DM 18,553,500	DM 17,634,000

Sierracin Corporation

(The Company went private February, 1990.)

12780 San Fernando Road
Sylmar, California 91342-3796
(818) 362-6802

Officers: Christoph Tribull, chairman of the board, president & chief executive officer; Gary Roberts, sr. v.p.-finance and administration & secretary; Patricia A. Sprouse, gen. counsel & asst. secretary; George A. Nikas, president-Sierracin/Sylmar Division; Errol Roy, president-Harrison Division & Transflex Division; David Mighdoll, president-Magnedyne Division; Erich Schops, v.p.-Marketing, Paris.

Directors: Christoph Tribull, chairman; Walter E. Hinds, Raimon Conlisk, John C. Janneck, Saleem S. Naber.

Areas of Work: Manufactures and markets high-technology transparency products for the aerospace and industrial markets.

Divisions and Subsidiaries:

Harrison Division
3020 Empire Avenue
Burbank, California 91504
(818) 842-2131

Specializes in the design and manufacture of patented hydraulic components and seals of pneumatic fluid and nuclear power applications.

Magnedyne Division
2258 Rutherford Road
Carlsbad, California 92008
(619) 438-3321

Manufactures precision servo motors and tachometers for aerospace and industrial applications.

Sierracin/Sylmar Corporation

TransTech Division
12780 San Fernando Road
Sylmar, California 91342
(818) 362-6811

Designs and manufactures high-quality composite security glazing systems for the military and industrial markets.

Sylmar Division
12780 San Fernando Road
Sylmar, California 91342
(818) 362-6711

Engaged in the production of transparencies for aircraft.

Number of Employees:

1989	735
1988	950
1987	950
1986	875
1985	1,246

Plant Footage:

1988	381,260 sq. ft.
1987	381,260
1986	381,260
1985	487,270

Sales & Earnings

	Net Sales ‡	Net Income #
1988	$ 82,729,000	$ 3,116,000
1987	72,832,000	2,030,000
1986	72,670,000	642,000
1985	61,455,000	(2,718,000)
1984	62,187,000	4,504,000

	No. of Com Share +	Earn. per Share # +
1988	3,393,000	$ 0.92
1987	3,395,000	0.60
1986	3,388,000	0.19
1985	3,382,000	—
1984	3,553,000	1.27

(Loss)
‡ Includes other income, of continuing operations only.
# Including extraordinary gain of $400,000 ($0.12 per share) in 1988.
+ Based on the average number of shares outstanding.

Revenues by Line of Business

	1988	1987
Aerospace prods.	$ 58,647,000	$ 50,060,000
Industrial/commercial prods.	24,082,000	22,772,000
Total	$ 82,729,000	$ 72,832,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	
1986	—	—	—
1985	0.20	—	—
1984	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 20,478,000	$ 6.04
1987	17,373,000	5.12
1986	15,366,000	4.54
1985	14,645,000	4.33
1984	18,466,000	5.20

‡ Based on the average number of shares outstanding.

Income Account*
(000's)

Year ended Dec. 31	1988	1987
Net sales	$ 81,601	$ 72,195
Other income	1,128	637
Total income	$ 82,729	$ 72,832
Cost of sales	61,975	52,907
Expenses	16,824	15,348
Interest expense	883	734
Prov. for litig. award	—	763
Income bef. taxes	$ 3,047	$ 3,080
Income taxes (credit)	(69)	1,450
Net Income	$ 3,116	$ 1,630
Extraord. gain	—	400
Net Income & Extraord. gain	$ 3,116	$ 2,030

* Included in Costs and Expenses, Depreciation and Amortization: $2,080,000 in 1988 and $1,930,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & cert. of dep.	1,388	214
Notes receivable	388	176
Acct. receiv., net	12,963	12,809
*Inventories	13,291	12,023
Prepaid expenses	2,652	1,559
Current Assets	$ 30,682	$ 26,781
#Fixed assets	10,422	10,770
Other assets	371	1,239
Total Assets	$ 41,475	$ 38,790

Liabilities
(000's)

	1988	1987
Accts. payable	$ 6,363	$ 5,758
Accrued payroll	4,243	3,808
Other accruals	2,535	3,226
Income taxes payable	712	957
Curr. Liabilities	$ 13,853	$ 13,749
Cap. lease oblig.	500	750
Long-term debt	5,852	5,779
Deferred income taxes	258	573
Deferred income	534	566
+Common stock	3,660	3,660
Add. paid-in capital	504	504
Retained earnings	19,416	16,300
Treasury stock	(3,102)	(3,091)
Total Liabilities & Shareholders' Equity	$ 41,475	$ 38,790

* At lower of cost (primary LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Sales	3.73	4.27
%Net Income to Sales	3.82	2.26
%Net Income to Equity	15.22	9.38
Sales to Inventories	6.14	6.00
Debt to Equity	0.31	0.38
Working Capital	$ 16,829,000	$ 13,032,000
Current Ratio	2.21	1.95
Shareholders' Equity	$ 20,478,000	$ 17,373,000

Silicon General, Inc.

85 West Tasman Drive
San Jose, California 95134
(408) 943-9403
FAX (408) 433-9307

Officers: Q.T. Wiles, chairman of the board; William D. Rasdal, president & chief exec. officer; Paul N. Risinger, exec. v.p.-advanced marketing & technology; J. Scott Kamsler, v.p. finance, chief financial officer & secretary; Charles C. Thompson, exec. v.p. & gen. mgr.-Semiconductor Division; Ralph Brandi, v.p.-Silicon General Semiconductors; Robert M. Austin, exec. v.p. & gen. mgr.-Telecom Solutions Division; D. Ronald Duren, v.p. sales-Telecom Solutions; M.J. Narasimha, v.p. technology-Telecom Solutions; Robert L. Huebner, exec. v.p. & gen. mgr.-Analog Solution Division.

Directors: William D. Rasdal, chairman; Bob Wolfe, Daniel A. McMillan, III, Allen M. Peterson, Paul N. Risinger.

Areas of Work: The Company, including its wholly-owned subsidiaries, manufactures-telecommunications equipment for local telephone companies, data conversion subsystems and components, and linear and digital integrated circuits.

Divisions:

Analog Solutions
85 West Tasman Drive
San Jose, California 95134
(408) 433-1900

Produces precision analog signal conversion products and custom DC:DC power conversion products.

Semiconductors
11861 Western Avenue
Garden Grove, California 92641
(714) 89[illegible]-8121

Designs, manufactures and markets specialized linear circuits and hybrid circuits for the military and industrial market.

Telecom Solutions
85 West Tasman Drive
San Jose, California 95134
(408) 433-0910

Supplies specialized transmission equipment to local telephone companies for subscriber loop applications.

Subsidiary:

Zeltex Puerto Rico, Inc.
Aguada, Puerto Rico

Manufactures and markets a series of electronic assemblies consisting of conversion products and operations amplifiers. Also manufactures digital clock distributors, which it sells to regional Bell operating companies.

Transfer Agent(s):

Manufacturers Hanover Trust Company
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILN (NASDAQ)

Number of Employees:

1989	N.A.
1988	541
1987	N.A.
1986	424
1985	693

N.A. - Not Available.

Plant Footage:

1989	N.A.
1988	176,700 sq. ft.

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income ‡
1989	$ 35,869,000	$ 1,504,000
1988	28,982,000	(15,281,000)
1987	23,020,000	1,308,000
1986	20,132,000	(6,619,000)
1985	N.A.	9,612,000

	No. of Com. Shares	Earn. per Share ‡ †
1989	12,216,971	$ 0.11
1988	12,171,424	—
1987	12,169,924	0.11
1986	12,065,856	—
1985	11,791,644	0.80

(Loss)
N.A. - Not Available.
+ Of continuing operations only.
‡ Including extraordinary gains of $252,000 ($0.02 per share) in 1989 and $574,000 ($0.05 per share) in 1987.
† Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 23,799,000	$ 1.95
1988	22,222,000	1.83
1987	37,497,000	3.08
1986	35,407,000	2.93
1985	41,318,000	3.50

Income Account *

Year ended	7/2/89	7/3/88-
Net sales	$ 35,766,000	$ 28,820,000
Other income	103,000	162,000
Total income	$ 35,869,000	$ 28,982,000
Cost of sales	22,142,000	25,071,000
Expenses	10,189,000	12,267,000
Interest expense	2,034,000	1,967,000
Gain on sale of stock	—	(934,000)
Income (loss) bef. taxes	$ 1,504,000	$ (9,389,000)
Income taxes (credit)	252,000	(285,000)
Income (loss)-cont. oper.	$ 1,252,000	$ (9,104,000)
Loss-discont. oper.	—	(6,177,000)
Net Income (Loss)	$ 1,252,000	$ (15,281,000)
Extraord. gain	252,000	—
Net Income (Loss) & extraord. gain	$ 1,504,000	$ (15,281,000)

* Included in Costs and Expenses, Depreciation and Amortization: $4,025,000 in 1989 and $4,[illegible]4,000 in 1988.

Assets

Year ended	7/2/89	7/3/88
Cash	$ 1,174,000	$ 848,000
Accts. receiv., net	6,296,000	5,988,000
*Inventories	8,261,000	8,854,000
Other curr. assets	196,000	346,000
Current Assets	$ 15,927,000	$ 16,036,000
#Fixed assets	18,670,000	21,097,000
Net assets-discont. oper.	10,704,000	10,496,000
Other assets	718,000	1,472,000
Total Assets	$ 46,019,000	$ 49,101,000

Liabilities

Long-term debt, curr.	$ 1,613,000	$ 1,787,000
Notes payable	4,680,000	4,960,000
Accts. payable	2,420,000	3,673,000
Accruals	2,831,000	1,666,000
Note pay. to discont. bus.	2,500,000	1,875,000
Curr. Liabilities	$ 14,044,000	$ 13,961,000
Long-term debt	4,909,000	6,526,000
Note pay. to discont. bus.	2,500,000	5,625,000
Deferred inc. taxes	767,000	767,000
+Common stock	5,623,000	5,550,000
Add. paid-in capital	5,152,000	5,152,000
Retained earnings	13,024,000	11,520,000
Total Liabilities Shareholders' Equity	$ 46,019,000	$ 49,101,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.21	—
%Net Income to Sales	3.50	—
%Net Income to Equity	5.26	—
Sales to Inventories	4.33	3.26
Debt to Equity	0.47	0.60
Working Capital	$ 1,883,000	$ 2,075,000
Current Ratio	1.13	1.15
Shareholders' Equity	$ 23,799,000	$ 22,222,000

Siliconix Incorporated

(39%-owned by AEG Corporation)

2201 Laurelwood Road
P.O. Box 54951
Santa Clara, California 95054
(408) 988-8000
FAX: (408) 727-5414

NOTE: On April 10, 1990 the Company filed for reorganization under the protection of Chapter XI of the Federal Code.

Officers: Richard E. Lee, chairman, chief exec. officer & president; Peter W. Weber, exec. v.p.; Donald G. Keefe, v.p.-European operations; Richard J. Kulle, v.p.-Worldwide manufacturing; Walter Senges, v.p.-worldwide sales; John F. Crimmins, chief financial officer; Walter Faleschini, secretary.

Directors: Richard E. Lee, chairman; Gunter Ertelt, Frank Maier, Peter W. Weber, Robert L. Wehrli.

Areas of Work: Designs, develops, manufactures and sells discrete devices and integrated circuits which include junction and MOS field-effect transistors (FETs) and digital linear and large-scale integrated circuits. Product application innovations in the areas of switching, multiplexing, interface circuitry, operational and sense amplifiers, phased arrays, signal processing and LSI circuits for the data conversion and telecommunications markets are derivations of advanced components technologies.

Subsidiaries:

Siliconix, (Hong Kong) Limited
61-63 King Yip Street
Fourth Floor, Kwun Tong
Kowloon, Hong Kong

Siliconix (Taiwan) Limited
Nantze Export Processing Zone
Kaohsiung, Taiwann
Republic of China

Siliconix Limited
Morriston
Swansea, Wales SA6 6NE
United Kingdom

Siliconix S.A.R.L.
70-72 Avenue du General de Gaulle
Echat 559
94020 Creteil Cedex, Creteil, France

Nippon Siliconix (50% interest)

Siliconix GmbH
7024 Bernhausen
Postfach 1340
Johannestrasse 27
Filderstadt, West Germany

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILI (NASDAQ)

Number of Employees:

1989	2,199	1986	2,603
1988	2,662	1985	2,587
1987	2,549		

Plant Footage:

1989	360,100 sq. ft.	1986	376,300
1988	376,300	1985	312,700
1987	376,300		

Sales & Earnings

	Net Sales	Net Income †
1989	$ 122,525,000	$ (28,984,000)
1988	128,526,000	1,630,000
1987	122,528,000	5,025,000
1986	111,185,000	7,364,000
1985	108,022,000	9,059,000

	No. of Com. Shares #	Earn. Per Share †#
1989	13,369,000	$ —
1988	12,627,000	0.13
1987	12,942,000	0.39
1986	13,338,000	0.55
1985	12,840,000	0.71

(Loss)
† Including extraordinary gains of $338,000 ($0.03 per share) in 1988 and $1,126,000 ($0.09 per share) in 1987.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 47,583,000	$ 3.54
1988	76,672,000	5.74
1987	65,828,000	5.43
1986	65,721,000	5.14
1985	57,410,000	4.63

‡ Adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1989	1988
Net sales	$ 122,525,000	$ 128,526,000
Cost of sales	90,504,000	73,440,000
Expenses	51,596,000	49,669,000
Interest expense	5,649,000	4,768,000
Other expense (income)	4,214,000	(287,000)
Inc. (loss) bef. taxes	$ (29,438,000)	$ 936,000

Income taxes (credit)	(454,000)	53,000
Net Income (Loss)	$ (29,984,000)	$ 883,000
Extraord. gain	—	338,000
Cum. effect of acct. change	—	409,000
Net Income (Loss) & extraord. gain	$ (28,984,000)	$ 1,630,000

* Included in Costs and Expenses, Depreciation: $14,332,000 in 1989 and $13,696,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 705	$ 5,519
Accts. receiv., net	25,011	29,078
*Inventories	28,339	40,441
Prepaid expenses	4,483	11,896
Current Assets	$ 58,538	$ 86,934
#Fixed assets	60,737	64,855
Other assets	5,329	5,336
Total Assets	$ 124,604	$ 157,125

Liabilities

Long-term debt, curr.	$ 30,692	$ 14,967
Accts. payable	5,361	8,151
Accruals	7,253	7,484
Income taxes	14	863
Contingencies	3,600	—
Curr. Liabilities	$ 46,920	$ 31,465
Long-term debt	29,108	38,706
Deferred inc. taxes	993	10,282
+Common stock	28,134	27,472
Retained earnings	19,802	48,786
Accum. trans. adjust.	(353)	414
Total Liabilities & Shareholders' Equity	$ 124,604	$ 157,125

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.73
%Net Income to Sales	—	0.69
%Net Income to Equity	—	1.15
Sales to Inventories	4.32	3.18
Debt to Equity	1.26	0.70
Working Capital	$ 11,618,000	$ 55,469,000
Current Ratio	1.25	2.76
Shareholders' Equity	$ 47.583,000	$ 76,672,000

SL Industries, Inc.

Suite 110, 8000 Midlantic Drive
Mount Laurel, New Jersey 08054
(609) 727-1500
FAX: (609) 727-1683

Officers: Daryl L. Renschler, president & chief exec. officer; Ted D. Taubeneck, exec. v.p., chief financial officer, treasurer, secretary & gen. counsel; James E. Morris, corp. controller.

Directors: Bryne Litschgi, chairman; William M. Hess, Grant Heilman, Donald J. Lloyd-Jones, Salvatore J. Nuzzo, Marlin Miller, Jr., Mandell Shimberg, Richard T. Niner, Daryl L. Renschler.

Areas of Work: Designs, manufactures, and distributes engineered products for industrial and consumer niche markets, as well as customized components and other products for a wide range of Original Equipment Manufacturers. wheels and meters, gyro windings, spark plugs and jet engine igniters for the avionics industry, power conditioners, voltage surge protectors, electric feed-throughs, and observation ports.

Metal products include grinding wheels and abrasives, specialty pipe flanges, pipe bends, tank nozzles, and the piping systems of chemical and food processing plants.

Plastic products include a variety of high tolerance parts produced by many processes including injection molding; profile and sheet extrusion; and casting of crystal clear sheet, tube and rod.

Divisions:

Electrical Products Group

SL Auburn, Inc.
89 York Street
Auburn, New York 13021
(315) 252-9501

SL Waber, Inc.
300 Harvard Avenue
Westville, New Jersey 08093
(609) 456-5400

SL Montevideo Technology, Inc.
Montevideo, Minnesota

SL Abrasives
Cave Hill Drive
Carlisle, Pennsylvania 17013
(717) 234-3471

SL Piping Systems, Inc.
Newport, Delaware

SL Modern Hard Chrome, Inc.
Camden, New Jersey
(609) 665-8600

SL Plastics, Inc.
P.O. Box 211
Nazareth, Pennsylvania 18064
(215) 759-0280

SL LUBE/systems, Inc.
Elmwood Park, New Jersey

Transfer Agent(s):

Mellon Securities Trust Company
120 Broadway
New York, New York 10004

Stock Exchange(s): New York, Philadelphia

Ticker Symbol: SL

Number of Employees:

1989	983	1986	884
1988	933	1985	1,024
1987	994		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 73,173,000	$ 3,672,000
1988	63,225,000	(1,358,000)
1987	63,321,000	4,433,000
1986	61,906,000	4,124,000
1985	61,331,000	4,304,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	6,054,000	$ 0.61
1988	6,046,000	—
1987	6,029,000	0.74
1986	6,016,000	0.69
1985	6,000,000	0.72

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues by Line of Business

	1989	1988
Electrical/electro-mechanical	$ 46,772,000	$ 40,906,000
Specialty products	26,401,000	22,319,000
Total	$ 73,173,000	$ 63,225,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.16	6%	—
1988	0.16	6%	
1987	0.15	6%	—
1986	0.13	6%	4-for-3
1985	0.12	6%	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 32,732,000	$ 5.40
1988	29,957,000	4.95
1987	32,236,000	5.34
1986	28,642,000	4.76
1985	25,283,000	4.21

‡ Adjusted to reflect stock dividends and stock split.

Income Account

Year ended July 31	1989	1988
Net sales	$ 73,173,000	$ 63,225,000
Cost of sales	47,895,000	42,089,000
Expenses	17,062,000	17,798,000
Depreciation & amortization	2,076,000	1,898,000
Unusual items	—	3,663,000
Oper. profit (loss)	$ 6,140,000	$ (2,223,000)
Interest income	(217,000)	(66,000)
Interest expense	388,000	213,000
Income (loss) bef. taxes	$ 5,969,000	$ (2,370,000)
Income taxes (credit)	2,297,000	(1,012,000)
Net Income (Loss)	$ 3,672,000	$ (1,358,000)

Assets

As of July 31	1989	1988
Cash	$ 220,000	$ 3,421,000
Trade receiv., net	10,099,000	9,018,000
Cost in exc. of billings	1,217,000	—
Recoverable income taxes	—	137,000
*Inventories	14,027,000	10,967,000
Prepaid expenses	956,000	411,000
Deferred inc. taxes	483,000	869,000
Current Assets	$ 27,002,000	$ 24,823,000
#Fixed assets	9,460,000	9,768,000
Defer. charges & other assets	3,211,000	2,580,000
Assets held for fut. sale	4,154,000	2,926,000
Intangibles	6,359,000	1,096,000
Notes receiv.	261,000	258,000
Total Assets	$ 50,447,000	$ 41,451,000

Liabilities

Long-term debt, curr.	$ 385,000	$ 383,000
Accts. payable	3,368,000	2,589,000
Accrued inc. taxes	469,000	—
Accrued payroll	2,333,000	1,885,000
Accrued insurance	333,000	273,000
Other accruals	2,038,000	2,200,000
Billings in exc. of costs	423,000	—
Curr. Liabilities	$ 9,349,000	$ 7,330,000

Long-term debt	5,681,000	1,948,000
Deferred inc. taxes	48,000	409,000
Deferred compensation	2,637,000	1,807,000
+ Common stock	1,375,000	1,295,000
Add. paid-in capital	28,004,000	24,836,000
Retained earnings	7,170,000	7,643,000
Treasury stock	(3,817,000)	(3,817,000)
Total Liabilities & Shareholders' Equity	$ 50,447,000	$ 41,451,000

* At lower of cost (primarily FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.16	—
%Net Income to Sales	5.02	—
%Net Income to Equity	11.22	—
Sales to Inventories	5.22	5.77
Debt to Equity	0.19	0.08
Working Capital	$ 17,653,000	17,493,000
Current Ratio	2.89	3.39
Shareholders' Equity	$ 32,732,000	$ 29,957,000

SmithKline Beecham plc

(formerly SmithKline Beckman Corporation)

SB House
Great West Road
Brentford, Middlesex TW8 9BD England
081-560 5151

One Franklin Plaza
Philadelphia, Pennsylvania 19101
(215) 751-4000

NOTE: The Company was created on July 26, 1989 from the merger of SmithKline Beckman Corporation of the U.S. and Beecham Group of the U.K.

Directors: Henry Wendt, chairman of the board; Martyn Greenacre, chairman, European pharmaceuticals; Dr. Keith Mansford, chairman, research & development; Robert P. Bauman, chief executive; William Grant, non-exec. vice-chairman; Sir Robert Clark, non-exec. vice-chairman; Frederick W. Kyle, president, U.S. pharmaceuticals; Peter Jackson, group personnel director; Kenneth Kermes, group corporate development director; Hugh R. Collum, group finance director; John Chappell, chairman, pharmaceuticals; John Hunter, chairman, consumer brands; Ralph Pfeiffer, Jr., director; Sir John Kingman, director; Sir Peter Walters, director; Andrew R.F. Buxton, director; Handel E. Evans, director; Francis P. Lucier, director; James White, director; Donald McHenry, director.

Areas of Work: Engaged in the fields of health care and high technology. Markets a broad line of prescription and proprietary products for human and animal health as well as diagnostic and analytical products and services that facilitate the detection and treatment of disease and the advancement of biomedical research.

Products for the separation of biological materials include ultracentrifuges, low-speed centrifuges and high-performance liquid chromatography systems. Products for the detection, monitoring and quantification of biological materials include spectrophotometers, nuclear counters and electrochemical instruments. Instrumentation for analysis of molecular structure and composition includes an amino acid analyzer and an instrument for determining protein and peptide sequences. The Company also produces a DNA synthesizer which uses licensed phosphoramidite chemistry and microprocessor control to speed and simplify the synthesis of nucleic acids and a peptide synthesizer which enables scientists to duplicate or make analogs of the structures of natural peptides or small proteins. The Company has also introduced an automated laboratory work station using robotics technology.

Divisions:

UNITED KINGDOM

Beecham Animal Health
Beecham Group p.l.c.
Beecham Pharmaceuticals
Beecham Products Ltd.
Beecham Products Overseas
Beecham Research International
Beecham Bovril Brands
Beecham Toiletries and Healthcare-UK
Horlicks Ltd.
Smith Kline & French Laboratories Ltd.
SmithKline Animal Helath Ltd.
SmithKline Beecham Consumer Brands
SmithKline Beecham Pharmaceuticals

U.S.A.

Beecham Inc.
Beecham Laboratories
Beecham Products
Norden Laboratories, Inc.
Smith Kline & French Laboratories
Smith Kline & French Research & Development
SmithKline Beecham Animal Health
SmithKline Beecham Clinical Laboratories, Inc.
SmithKline Beecham Consumer Brands
SmithKline Beecham Corporation
SmithKline Beecham Pharmaceuticals Co.
SmithKline Chemicals

Registrars:

National Westminster Bank
Registrars Department
P.O. Box 82
Caxton House, Redcliffe Way
Bristol BS99 7NH England

Morgan Guaranty Trust Co. of New York
c/o First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, London.

Ticker Symbol: SBH (New York)* *Trades as an American Depository Receipt (ADR).

Number of Employees:

1989 62,800

Sales & Earnings

	Net Sales +	Net Income ‡
1989	£4,276,400,000	£ 130,100,000
1988	3,682,000,000	367,300,000

	No. of Com. Shares #	Earn. per Share ‡ #
1989	1,305,900,000	36.5p
1988	1,286,400,000	36.5

£ - pound sterling.
+ Of continuing operations only.
‡ Including extraordinary losses of £ 346,300,000 (26.5p per share) in 1989 and £ 102,300,000 (8.0p per share) in 1988.
# Based on the average number of common shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Pharmaceuticals	£ 2,237,600	£ 1,910,800
Animal health	337,500	280,600
Consumer brands	1,216,400	1,114,100
Clinical laboratories	484,900	376,500
Total	£ 4,276,400	£ 3,682,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	5.2p	—	—

Common Stock Equity

	Total Equity #	Equity Per Share ‡
1989	£ (294,600,000)	—
1988	1,363,000,000	106.0

(Deficiency)
# After allowing for preferred stock at stated value of US$0.25.
‡ Based on the average number of common shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales:		
Continuing oper.	£ 4,276,400	£ 3,682,000
Discontinued oper.	620,600	619,800
Total	£ 4,897,000	£ 4,301,800
Cost of sales	1,983,200	1,722,500
Sell., gen. & adm. exp.	1,705,900	1,520,400
Res. & develop. exp.	390,100	331,100
Share of profits of rel. cos.	(7,900)	(6,400)
Interest income	(101,900)	(70,200)
Interest expense	203,900	101,300
Income before taxes	£ 723,700	£ 703,100
Income taxes	243,600	227,700
Minority interest	3,700	5,800
Net Income	£ 476,400	$ 469,600
Extraord. loss	(346,300)	(102,300)
Net Income & extraord. loss	£ 130,100	£ 367,300

* Included in Costs and Expenses, Depreciation: £ 134,800,000 in 1989 and £ 139,800,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	£ 228,300	£ 228,700
Short-term invest.	4,900	651,200
Assets held pending dispos.	182,700	168,000
Accts. receiv., net	1,266,100	998,000
*Inventories	509,400	479,800
Current Assets	£ 2,191,400	£ 2,525,700
Investments	90,600	84,500
#Fixed assets	1,464,600	1,283,900
Total Assets	£ 3,746,600	£ 3,894,100

Liabilities
(000's)

Long-term debt, curr.	£ 984,100	£ 501,700
Payments receiv. on acct.	2,400	1,000
Accts. payable	257,600	234,400
Accrued comp.	240,600	140,400
Bills of exch. pay.	9,300	6,800
Income taxes	244,900	326,400
Other taxes	37,400	29,600
Restruc. costs	303,800	65,300
Other accts. pay.	243,100	29,900
Accruals & def. inc.	371,600	304,100
Dividends	[illegible]	73,600
Curr. Liabilities	£ 2,534,500	£ 1,572,800

Long-term debt	999,500	550,900
Deferred inc. taxes	6,000	4,900
Other liab.	17,800	110,600
Deferred income	7,000	7,300
Prov. for liab. & charges	456,800	265,000
+Preferred stock	19,600	19,600
++Common stock	331,300	302,400
Reserves	348,100	2,006,600
Goodwill reserve	(995,500)	(968,600)
Minority interests	21,500	22,600
Total Liabilities & Shareholders' Equity	£ 3,746,600	$ 3,894,100

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value; US$0.25 stated value. US$0.35 cumulative.
++ 25p par value.

Statistical Summary

%Net Income to Equity	—	33.96
Sales to Inventories	8.39	7.67
Debt to Equity	—	0.76
Working Capital	—	£ 952,900,000
Current Ratio	—	1.61
Shareholders' Equity (Deficiency)	£ (275,000,000)	£1,382,600,000

Snap-on Tools Corporation

2801 80th Street
Kenosha, Wisconsin 53141-1410
(414) 656-5200
FAX: (414) 656-5577

Officers: Marion F. Gregory, chairman, president & chief executive officer; Harry W. Fry, sr. v.p.-administration; Dan G. Craighead, v.p.-international; Jay W. Schultz, v.p.-research & engineering; George J. Bartl, Jr., v.p.-Eastern Division; James R. Askeris, controller; Branko M. Beronja, v.p.-North America; Nicholas L. Loffredo, v.p.-Western Division; James D. Johnson, v.p.-Central Division; Donald E. Lyons, v.p.-human resources; Michael F. Montemurro, sr. v.p.-finance; Joseph R. Olson, secretary & general counsel; Jay H. Schnabel, v.p.; Robert C. Stenman, v.p.-planning & information services; Kenneth A. Pike, v.p.-corp. quality; James L. Somers, v.p.-corp. manufacturing; Daniel J. Riordan, v.p.-national sales; Charles J. Labanowsky, asst. secretary.

Directors: Marion F. Gregory, chairman of the board; Harry W. Fry, Daniel J. Riordan, Arthur L. Kelly, Robert A. Cornog, Jay H. Schnabel, Daniel J. Krumm, Raymond F. Farley, George W. Mead, Duane L. Burnham, J. Thomas Schanck, Arthur L. Kelly.

Areas of Work: Manufactures hand tools for the professional automotive mechanic and industrial tool user, electronic automotive diagnostic equipment, sheet metal tool chests and cabinets, wheel aligning, and balancing equipment and air powered tools.

Subsidiaries:

Snap-on Tools of Canada Ltd.
Toronto, Ontario, Canada
Manufactures tools, tool chests and cabinets.

Herramientas Snap-on de Mexico, S.A.
Vallejo, Mexico
Distributes U.S. and Mexican manufactured products throughout Mexico.

Snap-on AG
Zug, Switzerland

Snap-on Tools de Mexico, S.A. de C.V.
Vallejo, Mexico
Manufactures basic tools.

Snap-on Tools International, Ltd. (FSC)
Kenosha, Wisconsin
Foreign sales corporation

Snap-on Tools Limited
Kettering Northant's, England
Distributes U.S. and Canadian manufactured products throughout England.

Snap-on Tools (Europe) Ltd.

Snap-on Tools GmbH
Willsbach, West Germany

American Assembly Tools, Inc.

ATI Industries, Inc.
Engaged primarily in manfacturing and marketing high quality precision aircraft tools used in the construction and maintenance of commercial and military aircraft.

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SNA

Number of Employees:

1989	7,461	1986	6,580
1988	7,187	1985	6,209
1987	6,910		

Plant Footage:

1989	N.A.	1986	2,116,350
1988	N.A.	1985	1,975,500
1987	1,974,150 sq. ft.		

N. A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 890,792,000	$ 104,710,000
1988	854,592,000	113,322,000
1987	754,303,000	88,596,000
1986	670,086,000	65,496,000
1985	591,278,000	59,732,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	41,038,978	$ 2.55
1988	41,603,128	2.72
1987	41,525,145	2.13
1986	41,168,798	1.59
1985	40,873,186	1.46

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 1.04	—	—
1988	0.88	—	
1987	0.70	—	—
1986	0.61	—	2-for-1
1985	0.58	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 572,657,000	$ 13.95
1988	505,202,000	12.14
1987	457,536,000	11.02
1986	382,952,000	9.30
1985	337,328,000	8.25

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1989	1988
Net sales	$ 890,792,000	$ 854,592,000
Cost of sales	450,931,000	422,844,000
Expenses	320,178,000	287,712,000
Install. contact inc.	(47,202,000)	(37,991,000)
Oper. profit	$ 166,885,000	$ 182,027,000
Other income	(1,923,000)	(3,432,000)
Interest expense	3,298,000	2,637,000
Income before taxes	$ 165,510,000	$ 182,822,000
Income taxes	60,800,000	69,500,000
Net Income	$ 104,710,000	$ 113,322,000

* Included in Costs and Expenses, Depreciation and Amortization: $21,865,000 in 1989 and $18,699,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 5,078,000	$ 16,895,000
Accts. receiv, net	403,926,000	336,588,000
*Inventories	137,106,000	139,460,000
Prepaid expenses	18,513,000	12,037,000
Current Assets	$ 564,623,000	$ 504,980,000
#Fixed assets	195,020,000	146,371,000
Other assets	17,960,000	16,187,000
Total Assets	$ 777,603,000	$ 667,538,000

Liabilities

Notes payable	$ 37,000,000	—
Long-term debt, curr.	425,000	497,000
Accts. payable	40,259,000	30,962,000
Accruals	58,895,000	67,311,000
Deposits	42,897,000	43,567,000
Curr. Liabilities	$ 179,476,000	$ 142,337,000
Long-term debt	7,700,000	8,125,000
Deferred income taxes	11,013,000	11,874,000
Other liabilities	6,757,000	—
+Common stock	41,117,000	40,911,000
Add. paid-in capital	5,243,000	—
Retained earnings	526,449,000	464,394,000
Currency translation adjustment	(152,000)	(103,000)
Total Liabilities & Shareholders' Equity	$ 777,603,000	$ 667,538,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.58	21.39
%Net Income to Sales	11.75	13.26
%Net Income to Equity	18.28	22.43
Sales to Inventories	6.50	6.13
Debt to Equity	0.08	0.02
Working Capital	$ 385,147,000	$ 362,643,000
Current Ratio	3.15	3.55
Shareholders' Equity	$ 572,657,000	$ 505,202,000

Solid Controls, Inc.

820 South 5th Street
Hopkins, Minnesota 55343
(612) 933-9053
FAX: (612) 933-8961

Officers: Ronald A. Kokesh, president; Edward A. Cashin, executive vice president; John L. Rodgers, Jr., v.p.-engineering; Gary E. Polaczyk, v.p.-finance & personnel; A. Larry Katz, secretary.

Directors: Ronald A. Kokesh, Edward A. Cashin, A. Larry Katz.

Areas of Work: Designs and manufactures a widely diversified line of solid state controls for the industrial machine industry.

Transfer Agent(s):

Mellon Securities Trust Company

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	45	1986	84
1988	N.A.	1985	90
1987	60		

Plant Footage:

1989	22,000 sq. ft.	1986	31,000
1988	N.A.	1985	31,000
1987	22,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1990	$ 4,344,559	$ 104,947
1989	5,746,322	308,751
1988	4,555,225	(160,292)
1987	5,593,178	82,105
1986	8,348,756	613,226

	No. of Com. Shares	Earn. per Share x
1990	1,185,804	$ 0.09
1989	1,185,804	0.26
1988	1,185,804	—
1987	1,185,804	0.07
1986	1,185,804	0.52

(Loss)
x Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.13	—	—
1989	0.13	—	
1988	0.13	—	—
1987	0.13	—	—
1986	0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 3,653,374	$ 3.08
1989	3,702,582	3.12
1988	3,547,986	2.99
1987	3,862,433	3.26
1986	3,934,483	3.32

Income Account *

Year ended March 31	1990	1989
Net sales	$ 4,344,559	$ 5,746,322
Cost of sales	2,999,569	3,694,323
Expenses	1,338,267	1,721,236
Other income	(175,224)	(147,688)
Inc. bef. taxes	$ 181,947	$ 478,451
Income taxes	77,000	169,700
Net Income	$ 104,947	$ 308,751

* Included in Costs and Expenses, Depreciation and Amortization: $167,863 in 1990 and $170,414 in 1989.

Assets

As of March 31	1990	1989
Cash & cash equiv.	$ 1,787,026	$ 1,045,732
Short-term invest.	—	867,376
Accts. receiv., net	1,059,721	1,115,499
*Inventories	705,986	768,159
Prepaid expenses	44,835	26,987
Current Assets	$ 3,597,568	$ 3,823,753
Marketable securities	211,275	211,275
Long-term contract receiv.	—	12,500
Software develop. costs	153,750	112,435
#Fixed assets	127,752	207,949
Other assets	89,707	62,818
Total Assets	$ 4,180,052	$ 4,430,730

Liabilities

Accts. payable	$ 46,781	$ 29,361
Accruals	240,339	386,910
Accrued income taxes	67,516	32,297
Cap. lease oblig., curr.	33,272	41,531
Curr. Liabilities	$ 387,908	$ 490,099
Deferred income	106,814	173,820
Deferred taxes	27,000	26,000
Cap. lease oblig.	4,956	38,229
+Common stock	59,290	59,290
Add. paid-in capital	419,118	419,118
Retained earnings	3,174,966	3,224,174
Total Liabilities & Shareholders' Equity	$ 4,180,052	$ 4,430,730

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.19	8.33
%Net Income to Sales	2.42	5.37
%Net Income to Equity	2.87	8.34
Sales to Inventories	6.15	7.48
Debt to Equity	0.01	0.02
Working Capital	$ 3,209,660	$ 3,333,654
Current Ratio	9.27	7.80
Shareholders' Equity	$ 3,653,374	$ 3,702,582

Sony Corporation

7-35, Kitashinagawa 6-chome
Shinagawa-ku, Tokyo 141, Japan
(03) 448-2111
FAX: (03) 448-2244

Officers: Akio Morita, chairman & chief executive officer; Norio Ohga, president & chief operating officer; Masaaki Morita, deputy president; Masahiko Morizono, deputy president; Noboo Kanoi, deputy president; Ken Iwaki, deputy president; Tsunehiko Ishizuka, sr. managing director; Tsunao Hashimoto, sr. managing director; Koji Adachi, sr. managing director; Kazuyuki Shirakura, managing director; Fumio Kohno, managing director; Jiro Aiko, managing director; Kiyoshi Yamakawa, managing director; Junichi Kodera, managing director; Yoshiyuki Kaneda, managing director; Akira Nagano, managing director; Kenji Tamiya, managing director; Masahiro Takahashi, managing director; Kozo Ohsone, managing director.

Directors: Yusuke Kashiwagi, Kenichi Kamiya, Senri Miyaoka, Shiro Koriyama, Yoshiro Kato, Yasuo Kuroki, Koichi Momoi, Minoru Morio, Toshitada Doi, Ryoichi Matsuda, Akihisa Onishi, Nobuyuki Idei, Jakob J. Schmuckli, Teruaki Aoki, Michael P. Schulhof.

Areas of Work: Manufactures a wide variety of video equipment, audio equipment, televisions, electronic components, information processing equipment, and telecommunications systems.

Subsidiaries (Japan):

Sony Ichinomiya Corporation
Manufactures color TVs and VTRs (video tape recorders).

Sony Broadcast Products Group
Manufactures industrial and broadcast use audio, video, camera, and optical systems.

Sony Kohda Corporation
Manufactures VTRs and videodisc players.

Sony Magnetic Products, Inc.
Manufactures magnetic and optical recording media and electronic components.

Sony Kisarazu Corporation
Manufactures VTRs, and CD (compact disc) players.

Sony Engineering Corporation
Design and engineering of electronic products.

Sony Minokamo Corporation
High-density surface mounting for VTR parts.

Max Precision Products Corporation
Manufacture and sale of precision components, molding dies, FA systems, and artwork for printed wiring boards.

Sony Inazawa Corporation
Manufactures color TV tubes.

Sony Denshi Corporation
Manufactures color TV and TV components.

Motomiya Denshi Corporation
Manufactures Trinitron gun, security systems, flat display tubes, and key components for televisions.

Sony Mizunami Corporation
Manufactures color TV tubes.

Sony Tsukuba Corporation
Manufactures audio products.

Taron Corporation
Manufactures audio and video equipment.

Sony-Bonson Corporation
Manufactures tape recorders (including Walkmans), flat TVs, and car audio products.

Sony Kokubu Semiconductor Corporation
Manufactures semiconductors.

Sony Shiroishi Semiconductor Inc.
Manufactures semiconductors.

Sony Oita Corporation
Manufactures semiconductors.

Tohkai Electronics Corporation
Manufactures printed circuit boards.

Sony Asco Inc.
Manufactures micro floppydisk drives and printer systems.

Sound System Corporation
Manufacture and surface mounting of key components for VTRs and CD players.

Sony Chemicals Corporation
Manufactures videotapes, adhesives, and electronic components.

Aiwa Co., Ltd.
Manufactures and markets hi-fi audio systems, headphone stereos, radiocassette recorders, VTRs, and modems.

Sony Magnescale Inc.
Manufactures and markets Magnescale digital position readout systems, digital gauging systems, Magnescale CNC systems, instrumentation tape recorders, and Sprinter high-speed video duplicating systems.

CBS/Sony Group Inc.
Manufactures and markets phonograph records, music tapes, compact discs, videocassettes, and videodiscs.

Sony/Tektronix Corporation
Manufactures, markets and services electronic measurement, display, and control instruments and computer graphic products.

Akebono Electronics Inc.
Manufactures printed circuit boards for audio, video, camera, and optical systems.

Sony Nagasaki Corporation
Manufactures semiconductors.

Hasso Electronics Corporation
Duplicates video software.

Sony Sound Tec Corporation
Manufactures and sells microphones, PA systems, furniture, and hearing aids.

Sony/PCL Inc.
Post-production for video and high definition video systems; video duplicating; motion-picture and still-photo processing; rental of video display systems.

Subsidiaries (United States):

Sony Corporation of America
9 West 57th Street
New York, New York 10019
(212) 371-5800
Manufactures and sale of Sony products in the United States.

Digital Audio Disc Corporation
Manufactures compact discs.

CBS Records Inc.
Record operation including production, manufacture and sale of phonograph records, tapes, compact discs, and video software.

Materials Research Corporation
Supplies high-purity metals, ceramics, sputtering and etching equipment to the electronics and telecommunications industries.

Depository, Transfer Agent, and Registrar for American

Morgan Guaranty Trust Company of New York
New York, New York

Co-Transfer Agents and Co-Registrars:

Continental Illinois National Bank and Trust Co. of Chicago
Chicago, Illinois

Bank of America National Trust and Savings Association
San Francisco, California

The Royal Trust Company (Co-Transfer Agent only)
Montreal, Canada

National Trust Company, Limited (Co-Registrar only)
Toronto, Canada

Stock Exchange(s): Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Japan; New York, London, Amsterdam, Pacific, Hong Kong, Paris, Frankfurt, Dusseldorf, Brussels, Antwerp, Vienna, Toronto, Montreal, Vancouver, Midwest, Zurich, Basle, Geneva.

Ticker Symbol: SNE (New York Stock Exchange)*
*Trades as an ADR

Number of Employees:

1989	78,900	1986	48,700
1988	71,000	1985	44,908
1987	47,600		

Sales & Earnings x

	Net Sales (millions)	Net Income (millions)
1989	¥ 2,145,329	¥ 72,469
1988	1,555,219	37,236
1987*	609,425	13,254
1986	1,452,090	41,244
1985	1,420,785	73,021

	No. of Com. Shares ‡	Earn. per Share ‡
1989	303,941,000	¥ 241.7
1988	249,600,000	151.0
1987*	231,236,000	57.3
1986	231,223,000	178.4
1985	231,043,000	316.0

¥ - Yen
* 5 months.
x Restated to reflect the adoption of SFAS No. 94, "Consolidation of All Majority-owned Subsidiaries".
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989 (millions)	%	1988 (millions)	%
Video equipment	¥ 573,493	26.7%	¥ 451,064	29.0%
Audio equipment	560,772	26.2	479,484	30.8
Televisions	341,800	15.9	315,322	20.3
Other products	329,076	15.3	270,529	17.4
Records	340,188	15.9	38,820	2.5
Total	¥2,145,329	100 %	¥1,555,219	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 50.0	—	—
1988	44.6	—	
1987	18.5	—	—
1986	44.0	—	—
1985	44.0	—	—

Common Stock Equity x

	Total Equity (millions)	Equity Per Share
1989	¥ 911,316	¥ 3,226.49
1988	646,076	2,705.86
1987	603,816	2,611.25
1986	600,059	2,595.13
1985	599,163	2,592.12

x Restated.

Income Account*
(millions)

Year ended March 31	1989	1988‡
Net sales	¥ 2,145,329	¥ 1,555,219
Other income	56,143	32,742
Total income	¥ 2,201,472	¥ 1,587,961
Cost of sales	1,475,352	1,147,014
Expenses	565,621	380,283
Interest income	(22,609)	(15,448)
For. exch. gain	(4,818)	(13,850)
Other income	(32,591)	(27,849)
Interest expense	32,550	27,195
Other expense	22,451	18,780
Income before taxes	¥ 165,516	¥ 71,836
Income taxes	95,176	41,465
Eq. in earn. of affil. cos.	(2,129)	(6,865)
Net Income	¥ 72,469	¥ 37,236

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: ¥ 125,790,000,000 in 1989 and ¥ 92,511,000,000 in 1988.

Assets
(millions)

As of March 31	1989	1988‡
Cash & cash equiv.	¥ 297,889	¥ 214,874
Time deposits	33,665	72,939
Marketable securities	91,115	56,667
Accts. receiv., net	399,735	335,694
*Inventories	483,648	358,059
Prepaid expenses	76,338	58,881
Inc. tax prepayments	51,408	46,257
Current Assets	¥ 1,433,798	¥ 1,143,371
Investments & advances	113,435	101,990
#Fixed assets	544,776	453,609
Other assets	272,766	246,477
Total Assets	¥ 2,364,775	¥ 1,945,447

Liabilities
(millions)

Short-term borrowings	¥ 224,637	¥ 319,277
Long-term debt, curr.	12,797	2,758
Notes & accts. payable	468,784	384,654
Notes payable-construction	21,323	10,011
Dividends payable	6,461	5,392
Accrued taxes	84,752	52,722
Other accruals	300,267	228,204
Curr. Liabilities	¥ 1,119,021	¥ 1,003,018
Long-term debt	220,790	201,127
Liability for severance indemnities	61,319	56,387
Deferred inc. taxes	36,928	26,863
Minority interest in consol. subsid. cos.	14,901	11,976
+Common stock	114,641	23,665
Add. paid-in capital	232,050	119,824
Legal reserve	10,535	8,622
Retained earnings appropr. for special allow.	16,313	13,111
Retained earnings	600,184	547,271
Cum. trans. adjust.	(61,907)	(66,417)
Total Liabilities & Shareholders' Equity	¥ 2,364,775	¥ 1,945,447

‡ Restated.
* At average cost, not in excess of market. Finished products of certain subsidiary companies at FIFO.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.72	4.62
%Net Income to Sales	3.38	2.39
%Net Income to Equity	7.95	5.76
Sales to Inventories	4.44	4.34
Debt to Equity	0.50	0.81
Working Capital (000's)	¥ 314,777,000	¥ 140,353,000
Current Ratio	1.28	1.14
Shareholders' Equity (000's)	¥ 911,816,000	¥ 646,076,000

Sparton Corporation

2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600
FAX: (517) 787-8046

Officers: John J. Smith, chairman of the board & chief executive officer; David W. Hockenbrocht, president & chief operating officer; Blair H. Thompson, vice president, treasurer & asst. secretary; Richard D. Mico, v.p. & gen. mgr.-Sparton Technology, Inc.; Lawson K. Smith, v.p. & sec. & pres.-Sparton Engineered Products, Inc.-Lake Odessa Group; Steven G. Hubble, v.p. & gen. mgr.-Sparton Engineered Products, Inc.-Flora Group; Richard C. French, v.p. & gen. mgr.-Sparton Engineered Products, Inc.-KPI Group; Richard H. Nichols, v.p., asst. secretary, asst. treasurer, gen. mgr.-Defense Electronics Group;

Christopher L. Corbin, v.p., gen. mgr.-Sparton of Canada, Ltd.; Thomas R. Paul, v.p. & gen. mgr.-Michigan Oil Company; Jerry R. Gause, v.p. & gen. mgr.-Sparton Engineered Products, Inc.-Lake Odessa Group; R. Jan Appel, v.p., general counsel & asst. secretary; Richard L. Langley, asst. treasurer.

Directors: Marshall V. Noecker, John J. Smith, Lawson K. Smith, James N. DeBoer, Blair H. Thompson, David W. Hockenbrocht, Robert J. Kirk, Bill H. Bowerman, Stuart F. Platt, Robert A. Brooks.

Divisions and Subsidiaries:

Sparton Defense Electronics Group
Johnson Lake Road
Box 788
DeLeon Springs, Florida 32130
(904) 985-4631

Sparton Electronics Division
2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600

High reliability electronic, electro-mechanical and mechanical equipment for the U.S. and foreign military for anti-submarine warfare, underwater ordnance, communications, oceanography and contract electronics manufacturing.

Sparton Electronics Washington Office
1215 Jefferson Davis Highway
Chrystal Gateway III, Suite 301
Arlington, Virginia 22202

Sparton Electronics Florida, Inc.
Brooksville, Florida

Sparton of Canada, Ltd.
99 Ash Street
London, Ontario N5Z 4V3 Canada
(519) 455-6320

Defense technology for Canadian, U.S. and NATO governments, including sonar transducers, sonobuoys, oceanographic sensor systems, ice penetrating devices, and electronic design technology.

Sparton Technology, Inc.
4901 Rockaway Blvd., S.E.
Rio Rancho, New Mexico 87124

Microprocessor-based systems for telephone cable pressure monitoring and building energy management; pressure and flow transducers for the telephone industry, aerospace and others; printed circuit manufacture; contract-manufacturing, including electronic and electro-mechanical assemblies; intrusion detection sensors and systems; and automatic utility meter reading and other enhanced residential services.

Sparton Technology, Inc.
9621 Coors Road, N.W.
Albuquerque, New Mexico 87103
(505) 898-1150

Deming Electronics
Deming, New Mexico

Sparton Engineered Products-Flora Group
P.O. Box 399
Old U.S. Highway 50, W.
Flora, Illinois 62839
(618) 662-2101

Automobile, truck, marine, ordnance and industrial horns; truck and ordnance directional signals; automotive and marine safety accessories; automotive stampings; electronic sensors; lights; chimes; and telecommunication products.

Sparton Engineered Products-Flora Group
1000 John R. Suite 202
Troy, Michigan 48083
Grayville, Illinois

Sparton Engineered Products-Lake Odessa Group
1201 North 4th Avenue
Lake Odessa, Michigan 48849
(616) 374-8863

Automotive mechanical controls and modular assemblies; parking brakes; wire forms and threaded parts; exhaust systems and catalytic converter hangers; brackets; brake, clutch and accelerator pedals; seat frames and hardware; and pipe clamps.

Sparton Engineered Products-Lake Odessa Group, Sales Office
2075 W. Big Beaver, Suite 222
Troy, Michigan 48084
Gladwin, Michigan

Sparton Engineered Products-KPI Group
427 N. Griffin Street
Grand Haven, Michigan 49417
(616) 842-5800
White Cloud, Michigan
Brownstone, Indiana
Spring Lake, Michigan

Engineered metal stamping assemblies; hood mechanisms; manual and automatic shifters; air bag components; latches; fuel filler doors; tailgate handles and hinges; tire carriers; and ashtrays.

Sparton Engineered Products-Grand Haven Group, Sales Office
3221 W. Big Beaver Road, Suite 204
Troy, Michigan 48084

Michigan Oil Company
603 Lansing Avenue
Jackson, Michigan 49202
(517) 788-9770

Exploration and production of oil and gas.

Transfer Agent(s):

The Huntington National Bank
917 Euclid Avenue
Cleveland, Ohio 44101

Mellon Securities Transfer Service
120 Broadway
33rd Floor
New York, New York 10271

Stock Exchange(s): New York

Ticker Symbol: SPA

Number of Employees:

1989	2,900
1988	2,600
1987	3,000
1986	3,600
1985	3,900

Sales & Earnings

	Net Sales †	Net Income
1989	$ 148,126,813	$ (6,337,749)
1988	201,823,034	11,196,498
1987	219,427,357	10,043,953
1986	243,900,149	8,996,610
1985	158,860,217	(3,235,505)

	No. of Com. Shares +	Earn. per Share +
1989	7,914,272	$ —
1988	7,914,272	1.41
1987	7,911,351	1.27
1986	7,890,903	1.14
1985	7,874,833	—

(Loss)
† Manufacturing revenues; of continuing operations only.
+ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Electronics	$ 67,069,310	$ 131,053,122
Industrial products	81,057,503	70,769,912
Oil and gas	3,940,685	4,458,431
Total	$ 152,067,498	$ 206,281,465

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.52	—	—
1988	0.52	—	
1987	0.52	—	—
1986	0.52	—	—
1985	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 60,542,022	$ 7.65
1988	70,995,192	8.97
1987	63,914,115	8.08
1986	57,827,567	7.32
1985	53,090,340	6.74

Income Account *

Year ended June 30	1989	1988
Manufacturing:		
Net sales	148,126,813	$ 201,823,034
Cost of sales	129,350,331	159,584,703
Expenses	23,380,047	21,548,536
Oper. income (loss)	$ (4,603,565)	$ 20,689,798
Oil & Gas:		
Revenues	3,940,685	4,458,431
Cost & exp.	10,646,527	7,519,465
Oper. loss	$ (6,705,842)	$ (3,061,034)
Interest expense	2,101,079	1,655,129
Other income	(1,564,737)	(858,866)
Inc. (loss) bef. taxes	$ (11,845,749)	$ 16,832,498
Income taxes (credit)	(5,508,000)	5,636,000
Net Income (Loss)	$ (6,337,749)	$ 11,196,498

* Included in Costs and Expenses, Depreciation and Depletion: $4,433,707 in 1989 and $4,712,573 in 1988.

Assets

As of June 30	1989	1988
Cash & short-term invest.	$ 6,861,981	$ 5,174,034
Income taxes recov.	5,753,273	—
Accts. receiv., net	22,669,022	28,339,904
*Inventories	45,731,019	47,464,545
Prepaid expenses	2,267,110	1,407,420
Current Assets	$ 83,282,404	$ 82,385,903
#Fixed assets	19,552,276	20,941,609
‡ Oil and gas prop.	10,585,280	10,621,615
Other assets	1,647,276	887,062
Total Assets	$ 115,067,236	$ 114,836,189

Liabilities

	1989	1988
Notes payable	$ 27,600,000	$ 19,000,000
Accts. payable	16,564,127	13,476,726
Salaries and wages	1,895,315	2,391,357
Income taxes	526,440	892,467
Accruals	3,089,940	3,818,675
Dividends declared	1,028,855	1,028,855
Curr. Liabilities	$ 50,704,677	$ 40,608,080
Deferred compensation	1,359,596	1,225,742
Deferred inc. taxes	1,071,000	606,000
Cap. lease oblig.	1,389,941	1,401,175
+Common stock	9,892,840	9,892,840
Add. paid-in capital	377,225	377,225
Retained earnings	50,271,957	60,725,127
Total Liabilities & Shareholders' Equity	$ 115,067,236	$ 114,836,189

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated depreciation and depletion.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.34
%Net Income to Sales	—	5.55
%Net Income to Equity	—	15.77
Debt to Equity	0.48	0.29
Working Capital	$ 32,577,727	$ 41,777,823
Current Ratio	1.64	2.03
Shareholders' Equity	$ 60,542,022	$ 70,995,192

Spectrum Control, Inc.

2185 West Eighth Street
Erie, Pennsylvania 16505
(814) 455-0966
FAX: (814) 455-2550

Officers: Thomas L. Venable, chairman of the board & president; Geoffrey Robinson, sr. v.p.-engineering; Glenn L. Warnshuis, sr. v.p.-engineering; Elmer Ziegler, v.p.-quality control; John R. Lane, exec. v.p.; Peter Rode, v.p.-manufacturing; Jon VanAmringe, sr. v.p. & chief financial officer; James A. Siegel, treasurer; Louise A. Stuart, v.p.-manufacturing; H. Jack Baker, v.p.-engineering, James F. Toohey, secretary; John P. Freeman, controller; Karen L. Phelps, asst. secretary.

Directors: John R. Lane, John P. Leemhuis, John M. Petersen, James F. Toohey, Gerald A. Ryan, Thomas L. Venable, Glenn Warnshuis.

Areas of Work: Designs, manufactures and markets electro-magnetic components which are used to filter out electronic pollution or interference in modems, communication receivers, and other electronic equipment.

Divisions:

Electromagnetic Division
8061 Avonia Road
Fairview, Pennsylvania 16415

Material Science Division
600 Erie Street
Saegertown, Pennsylvania 16433

Western Electromagnetic Division
28106 Avenue Crocker
Valencia, California 91355

Connecting Devices Division
6000 West Ridge Road
Erie, Pennsylvania 16506

Subsidiaries:

Spectrum Control GmbH
Hansastrasse 6
D-8540 Schwabach, West Germany

Spectrum Engineering International, Inc.
3411 Silverside Road
Wilmington, Delaware 19810
Domestic International Sales Corporation (DISC)

Spectrum Control, Inc. (Delaware)
3411 Silverside Road
Wilmington, Delaware 19810
Investment company.

Spectrum Control Technology, Inc.
4100 Michoud Boulevard
New Orleans, Louisiana 70129-2284

Transfer Agent(s):

Maryland National Bank
B & O Building
Two North Charles Street
Fourth Floor
Baltimore, Maryland 21201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPEC (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1989	$ 32,018,000	$ (846,000)
1988	29,788,523	(2,723,354)
1987	33,657,682	32,796
1986	25,979,022	3,318,798
1985	24,186,365	2,668,257

	No. of Com. Shares	Earn per Share ‡
1989	5,429,785	$ —
1988	5,396,937	—
1987	5,370,879	0.01
1986	5,346,865	0.62
1985	5,342,699	0.50

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.07	—	
1987	0.07	—	—
1986	0.07	—	—
1985	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 16,664,000	$ 3.07
1988	17,468,659	3.24
1987	19,649,637	3.66
1986	20,946,958	3.92
1985	17,951,980	3.36

Income Account *

Year ended Nov. 30	1989	1988
Net sales	$ 32,018,000	$ 29,788,523
Cost of sales	21,475,000	20,884,290
Expenses	10,431,000	11,391,232
Invest. expense (income)	(238,000)	267,492
Interest expense	2,253,000	1,895,776
Gain on sale of aircraft	(625,000)	—
Loss bef. taxes	$ (1,278,000)	$ (4,650,267)
Tax credit	(432,000)	(1,040,913)
Cum. effect of acct. change	—	(886,000)
Net Loss	$ (846,000)	$ (2,723,354)

* Included in Costs and Expenses, Depreciation and Amortization: $2,627,000 in 1989 and $2,632,449 in 1988.

Assets

As of Nov. 30	1989	1988
Cash	$ 184,000	$ 313,949
Investments	313,000	2,876,197
Accts. receiv., net	5,441,000	5,044,683
*Inventories	14,548,000	10,969,214
Refund. inc. taxes	161,000	37,935
Prepaid expenses	142,000	244,999
Current Assets	$ 20,789,000	$ 19,486,977
# Fixed assets	34,445,000	33,790,681
Other assets	1,697,000	1,637,454
Total Assets	$ 56,931,000	$ 54,915,112

Liabilities

Long-term debt, curr.	$ 8,109,000	$ 1,275,721
Short-term debt	10,058,000	7,509,875
Accts. payable	4,158,000	2,502,046
Accrued salaries	1,385,000	1,319,141
Accrued interest	175,000	317,908
Other accruals	655,000	518,151
Deferred revenue	85,000	119,751
Curr. Liabilities	$ 24,625,000	$ 13,562,593
Long-term debt	13,536,000	21,416,669
Deferred revenue	256,000	341,026
Deferred inc. taxes	1,850,000	2,126,165
+Common stock	6,741,000	6,609,746
Retained earnings	10,282,000	11,128,386
For. curr. adjustment	(359,000)	(269,473)
Total Liabilities & Shareholders' Equity	$ 56,931,000	$ 54,915,112

* At lower of cost (standard) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	2.20	2.72
Debt to Equity	1.90	1.73
Working Capital	—	$ 5,924,384
Current Ratio	—	1.44
Shareholders' Equity	$ 16,664,000	$ 17,468,659

Spex Group, Inc.

(The Company is a wholly-owned subsidiary of Park Scientific)

3880 Park Avenue
Edison, New Jersey 08820
(201) 549-7144

NOTE: Park Acquisition Corp., a wholly-owned subsidiary of Park Scientific, Inc., a wholly-owned subsidiary of Instruments S.A. of Paris, France, acquired 92% of the outstanding common stock of Spex Group, Inc. Following the purchase, Park Acquisition merged into Spex resulting in Spex becoming a wholly-owned subsidiary of Park Scientific as of May 16, 1988.

Officers: Neil Stein, Ph.D., president & secretary.

Directors: Gilbert Hayat, chairman; Michel Baudron, Jacques Kerrest, Michel Culleron.

Areas of Work: Engaged in the manufacture and distribution of spectrometric analytical instrumentation and systems; analytical standards and laboratory supplies and less complex laboratory equipment.

Subsidiaries:

Spex International, Inc.
Foreign Sales Corporation (FSC)

Spex Industries, Inc.
Manufacture and distribution of spectrometric equipment.

Number of Employees:

1989	145	1986	157
1988	140	1985	140
1987	200		

Plant Footage:

1989	70,700 sq. ft.	1986	70,700
1988	70,700	1985	70,700
1987	70,700		

Spire Corporation

Patriots Park
Bedford, Massachusetts 01730
(617) 275-6000
FAX: (617) 275-7470

Officers: Roger G. Little, chairman, chief executive officer, president & treasurer; Benjamin R. Foster, chief financial officer; Richard S. Gregorio, treasurer; Stephen M. Honig, clerk; Robert G. Wolfson, sr. v.p.-business development; Ghazi Darkazalli, v.p.-equipment; Piran Sioshansi, v.p.-ion implantation; Bobby Buchanan, v.p.-strategic technology.

Directors: Roger G. Little, chairman; Alfred John Gale, James D. Gerson, Robert H. Messon, John A. Tarello, Carl N. Graf, Howard Scharfman.

Areas of Work: The company fabricates and sells manufacturing equipment used by the photovoltaic industry for the production of solar modules and cells and by the electronics industry for the processing of semiconductor materials and devices; conducts contract supported material and process research relating to photovoltaic energy, semiconductor materials and metal surface modification industries; and provides contract services for the treatment of semiconductor materials and metal surfaces.

Divisions & Subsidiaries.

Spire International Sales Corporation

Transfer Agent(s):

The Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPIR (NASDAQ)

Number of Employees:

1989	181	1987	158
1988	172	1986	165

Plant Footage:

1989	74,000 sq. ft.	1986	74,000
1988	74,000	1985	74,000
1987	74,000		

Sales & Earnings

	Revenues	Net Income
1989	$ 19,530,000	$ 406,000
1988	17,633,000	74,000
1987	11,329,000	(1,367,000)
1986	12,604,000	826,000
1985	13,673,000	1,350,000

	No. of Com. Shares #	Earn. per Share #
1989	3,520,000	$ 0.12
1988	3,492,000	0.02
1987	3,512,000	—
1986	3,505,000	0.24
1985	3,405,000	0.40

(Loss)
# Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 10,911,000	$ 3.10
1988	10,485,000	3.00
1987	10,428,000	2.97
1986	11,764,000	3.36
1985	8,286,000	2.43

‡ Based on the weighted average number of common shares outstanding.

Income Account*

Year ended Dec. 31	1989	1988
Contract & serv. revenues	$ 15,732,164	$ 12,543,154
Sales of mfg. equip.	3,797,421	5,090,119
Total revenues	$ 19,529,585	$ 17,633,273
Cost of sales	14,860,154	14,328,846
Expenses	3,843,692	2,994,184
Interest expense	363,702	231,111
Income bef. taxes	$ 462,037	$ 79,132
Income taxes	56,000	5,000
Net Income	$ 406,037	$ 74,132

* Included in Costs and Expenses, Depreciation and Amortization: $2,137,713 in 1989 and $1,867,908 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 158,610	$ 282,076
Accts. receiv., net	5,852,848	4,622,800
Refund. income taxes	4,450	—
*Inventories	1,379,230	1,800,511
Prepaid expenses	730,976	426,081
Current Assets	$ 8,126,114	$ 7,131,468
#Fixed assets	9,242,045	10,149,587
Computer software costs	341,408	441,423
Intangibles	221,469	149,270
Other assets	34,387	61,184
Total Assets	$ 17,965,423	$ 17,932,932

Liabilities

	1989	1988
Notes payable	$ 1,020,000	$ 4,300,000
Accts. payable	1,483,510	1,527,306
Accruals	1,029,441	1,014,633
Advances on contracts	175,962	316,471
Curr. Liabilities	$ 3,708,913	$ 7,158,410
Deferred income taxes	345,300	289,300
Long-term debt	3,000,000	—
+ Common stock	34,869	34,861
Add. paid-in capital	8,399,091	8,396,197
Retained earnings	2,477,250	2,071,213
Treasury stock	—	(17,049)
Total Liabilities & Shareholders' Equity	$ 17,965,423	$ 17,932,932

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Revenues	2.37	0.45
% Net Income to Revenues	2.08	0.42
% Net Income to Equity	3.72	0.71
Debt to Equity	0.37	0.41
Working Capital	$ 4,417,201	—
Current Ratio	2.19	—
Shareholders' Equity	$ 10,911,210	$ 10,485,222

Square D Company

Executive Plaza
Palatine, Illinois 60067
(312) 397-2600
FAX: (312) 397-8814

Officers: J.L. Stead, chairman, president & chief executive officer; Thomas H. Brown, v.p. & president-Anderson Products; Charles W. Denny, III, exec. v.p.-electrical distribution center; Donald E. Marquart, exec. v.p.-international sector; Dexter S. Free, v.p., treasurer & asst. secretary; W.W. Kurczewski, v.p., general counsel & secretary; Robert R. Carpenter, v.p.-support operations; Philip H. Francis, v.p.-corp. technology center; J.K. Glore, v.p.-power equipment business; Charles E. Quentel, III, v.p.-engineering; W.J. Mueller, v.p., controller & chief accounting officer; J. Vikmanis, exec. v.p.-industrial control sector; T.L. Bindley, exec. v.p-finance & chief financial officer; C.E. Ashley, v.p.-distribution equipment business; J.C. Garrett, v.p.-control products business; C.L. Hite, v.p.-human resources; C. N. Thompson, III, v.p.-sales & service.

Directors: Michel L. Besson, Donald C. Clark*, George B. Beitzel, Robert F. Froehlke, C. Roland Haden, Sheldon B. Lubar, Leo J. McKernan, Frank J. Morgan*, John B. Schwemm, Jerre L. Stead*, Alfred M. Zeien.

* Member of the Executive Committee

Areas of Work: The Company is involved in two business segments: electrical equipment and electronic products. The electrical equipment group manufactures and markets electrical products including switches, circuit breakers, panelboards, switchboards, transformers, motor starters, relays and accessories such as pushbuttons, and limit, pressure and vacuum switches. The products are marketed to electrical contractors, electrical utilities and industrial plants.

The electronic products segment is engaged in the manufacture and sale of electrodeposited copper foil, semiconductor devices, power conditioning equipment, programmable controllers, energy management systems, infrared radiation thermometers and pyrometers, computerized control and data gathering systems, snap dome switches and other electronic devices.

Subsidiaries:

Square D Canada Electrical Equipment Inc.
Toronto, Ontario, Canada

Equipment Electrique Square D Canada Inc.
Mississauga, Ontario, Canada

Square D Limited
Swindon, England

Square D de Mexico, S.A. de C.V.
Mexico City, Mexico

Versamex S.A. de C.V.
Mexico City, Mexico

Square D Italia, S.p.A.
Arenzano, Italy

Square D Company Australia Pty., Ltd.
Melbourne, Australia

Square D Company Ireland Ltd.
Ballinasloe
County Galway, Ireland

Square D Japan Ltd.
Osaka, Japan

Square D France S.A.
Paris, France

Square D GmbH
Darmstadt, West Germany

Ircon Pyrometers, Inc.
Cedex, France

Ircon GmbH
Taunusstein, West Germany

Square D Starkstrom GmbH
West Germany

Square D Andina, S.A.
Latacunga, Ecuador

Square D Centroamericana, S.A.
San Jose, Costa Rica

Engineered Systems, Inc.
Tempe, Arizona
Control and data gathering systems.

KB-Denver, Inc.
Frederick, Colorado
Keyboards, snap dome switches.

Square D Espana
Barcelona, Spain

Square D Company (Singapore) Pte. Ltd.
Singapore

Yin Research Corporation
Fremont, California

General Semiconductor Industries, Inc.
Cottonwood, Arizona; Tempe, Arizona
Power transistors, transient suppressors, transient protection systems.

Yates Industries, S.A.
Wiltz, Luxembourg

Yates Circuit Foil Co., Ltd.
Silloth, England

Square D Benelux B.V.
Woerden, The Netherlands

Square D Company (Hong Kong) Limited
Hong Kong

Square D Company (Thailand) Limited
Bangkok, Thailand

Ircon Limited
Dartford, Kent, England

Square D Ventures Corporation
Palatine, Illinois

Ircon, Inc.
Niles, Illinois
Infrared radiation thermometers.

Topaz, Inc.
San Diego, California
Uninterruptible power systems, power conditioners, electronic noise suppression equipment.

Square D China Ltd.
Beijing, People's Republic of China

General Semiconductor Ireland Ltd.
Macroom, Irish Republic

Topaz, Inc.-Industrias Electronicas Pacifico, S.A. de C.V.
Tijuana, Mexico

Acquisitions:

Crisp Automation, Inc.
Dublin, Ohio
A designer of process controls and factory automation systems.

Electrical Supply Products
Montevallo, Alabama
A manufacturer of electrical connectors.

Transfer Agent(s):

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: SQD

Number of Employees:

1989	N.A.	1986	20,500
1988	N.A.	1985	22,100
1987	19,500		

Plant Footage:

1989	N.A.	1986	N.A.
1988	N.A.	1985	9,568,000
1987	9,152,000 sq. ft.		

N.A. - Not Available.

Sales & Earnings

	Net Sales #	Net Income
1989	$ 1,630,532,000	$ 101,904,000
1988	1,529,391,000	118,934,000
1987	1,361,752,000	110,001,000
1986	1,303,087,000	98,928,000
1985	1,2[illegible],011,000	87,188,000

	No. of Com. Shares	Earn. per Share +
1989	23,489,000	$ 3.98
1988	25,691,000	4.44
1987	27,660,000	3.82
1986	28,366,[illegible]00	3.42
1985	28,864,000	3.02

Of continuing operations only.
+ Based on the weighted average number of shares outstanding during the year.

Revenues by Line of Business
(000's)

	1989	1988
Electrical distribution	$ 1,117,655	$ 1,057,411
Industrial control	512,877	471,980
Total	$ 1,630,532	$ 1,529,391

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.00	—	—
1988	1.94	—	
1987	1.86	—	—
1986	1.84	—	—
1985	1.84	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 556,123,000	$ 23.68
1988	636,029,000	24.76
1987	679,711,000	24.57
1986	670,789,000	23.16
1985	606,139,000	21.00

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,630,532	$ 1,529,391
Cost of sales	1,050,380	1,001,400
Expenses	376,017	346,439
Restructuring charge	26,819	—
Other income	(17,484)	(17,850)
Interest expense	32,366	22,726
Income before taxes	$ 162,434	$ 176,676
Income taxes	58,489	63,220
Inc.-cont. oper.	$ 103,945	$ 113,456
Inc. (loss)-discont. oper.	(2,041)	5,478
Net Income	$ 101,904	$ 118,934

* Included in Costs and Expenses, Depreciation and Amortization: $50,896,000 in 1989 and $46,548,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 17,848	$ 29,910
Short-term invest.	52,730	39,725
Accts. receiv., net	321,478	262,563
*Inventories	158,031	183,346
Prepaid expenses	18,205	27,984
Deferred inc. taxes	26,459	5,448
Net assets-discont. oper.	117,116	—
Current Assets	$ 711,867	$ 548,976
Investment in affils.	726	655
Invest. in lev. leases	133,344	130,468
#Fixed assets	433,269	402,774
Net assets-discont. oper.	26,158	158,185
Other assets	26,042	13,556
Exc. of cost over assets acq.	50,528	52,095
Total Assets	$ 1,381,934	$ 1,306,709

Liabilities
(000's)

	1989	1988
Short-term debt	$ 263,730	$ 122,892
Long-term debt, curr.	10,695	18,328
Accts. payable & accruals	208,416	187,291
Dividend payable	11,893	13,043
Income taxes	9,883	15,372
Curr. Liabilities	$ 504,617	$ 356,926
Long-term debt	124,232	137,171
Deferred inc. taxes	75,194	79,245
Def. inc. taxes - lev. leases	112,473	89,028
Minority interest	9,29[illegible]	8,310
+ Preferred stock	125,000	—
Note receiv.-ESOP Trust	(125,000)	—
++ Common stock	49,409	49,154
Add. paid-in capital	120,211	109,837
Retained earnings	713,225	665,761
Cum. trans. adjust	(8,788)	2,547
Treasury stock	(317,934)	(191,270)
Total Liabilities & Shareholders' Equity	$ 1,381,934	$ 1,306,709

* At lower of cost (LIFO in U.S., FIFO for foreign) or market.
# Less accumulated depreciation.
+ No par value; cumulative Series A ESOP convertible.
++ $1.66 2/3 par value.

Statistical Summary

%Net Income to Equity	18.32	18.70
Sales to Inventories	10.32	8.34
Debt to Equity	0.72	0.44
Working Capital	$ 207,250,000	$ 192,050,000
Current Ratio	1.41	1.54
Shareholders' Equity	$ 556,123,000	$ 636,029,000

Standard Logic, Inc.

2841 East La Palma Avenue
Anaheim, California 92806
(714) 632-9292
FAX: (714) 632-9699

Officers: Earnest W. Baumgardner, chairman, chief executive officer, president & chief financial officer; Vicki Paschal, secretary/controller.

Directors: Ernest W. Baumgardner, Marlan M. Merhab, Bruce L. Billington, Michael A. Reagan.

Areas of Work: The Company manufactures integrated circuit packaging systems and wire wrap machines for use by the electronic manufacturing industry, and provides wire wrap, contract engineering and manufacturing services.

Transfer Agent(s):

Bank of America
Los Angeles, California

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: STDL (NASDAQ); SLO (Boston)

Number of Employees:

1989	14	1986	45
1988	14	1985	66
1987	31		

Plant Footage:

1989	9,500 sq. ft.	1986	31,000
1988	20,000	1985	33,000
1987	20,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,922,811	$ (238,861)
1988	2,407,950	(915,503)
1987	1,511,800	(990,518)
1986	2,432,000	(132,788)
1985	3,076,000	(657,064)

	No. of Com. Shares +	Earn. per Share +
1989	5,574,118	$ —
1988	4,990,784	—
1987	4,974,118	—
1986	4,974,118	—
1985	4,974,118	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 711,412	$ 0.13
1988	844,648	0.17
1987	1,760,151	0.35
1986	2,750,669	0.55
1985	2,883,457	0.58

Income Account *

Year ended Oct. 31	1989	1988
Net sales	$ 1,922,811	$ 2,407,950
Cost of sales	1,197,938	1,674,221
Gen. & adm. expenses	659,864	991,764
Selling expenses	240,610	440,495
Product develop. expenses	58,362	114,657
Other expense (income)	4,598	(88,880)
Loss before taxes	$ (238,561)	$ (724,307)
Income taxes	300	60[illegible]
Loss-cont oper.	$ (238,861)	$ (724,907)
Loss-discont. oper.	—	(190,596)
Net Loss	$ (238,861)	$ (915,503)

* Included in Costs and Expenses, Depreciation and Amortization: $79,214 in 1989 and $138,755 in 1988.

Assets

As of Oct. 31	1989	1988
Cash & cash equiv.	$ 341,770	$ 312,821
Marketable securities	—	823
Accts. receiv., net	213,076	313,462
*Inventories	144,864	270,421
Prepaid expenses	42,806	31,604
Current Assets	$ 742,516	$ 929,131
#Fixed assets	256,473	338,516
Other assets	28,431	75,840
Total Assets	$ 1,027,420	$ 1,343,527

Liabilities

Accts. payable	$ 109,637	$ 288,133
Bank line of credit	—	170,000
Note payable	70,000	—
Accrued compensation	57,049	26,535
Warranty & other accruals	79,322	14,211
Curr. Liabilities	$ 316,008	$ 498,879
+ Common stock	157,477	124,977
Add. paid-in capital	10,300,878	10,208,760
Warrants	—	24,618
Subscrip. receiv.	(3,750)	(9,375)
Ret. earnings (deficit)	(9,743,193)	(9,504,332)
Total Liabilities & Shareholders' Equity	$ 1,027,420	$ 1,343,527

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.025 par value.

Statistical Summary

Sales to Inventories	13.27	8.90
Debt to Equity	0.10	0.20
Working Capital	$ 426,508	$ 430,252
Current Ratio	2.35	1.86
Shareholders' Equity	$ 711,412	$ 844,648

Standard Microsystems Corporation

80 Arkay Drive
Hauppauge, New York 11788
(516) 273-3100

Officers: Paul Richman, chairman; Victor F. Trizzino, president & chief exec. officer; Gerald E. Gollub, exec. v.p.; Arthur Sidorsky, exec. v.p.; Walter J. Kmeta, senior v.p.; John Tweedy, vice president; Harry J. Horn, vice president; Ernest W. Sern, vice president; George Houseweart, vice president; Harold I. Kahen, secretary; Anthony M. D'Agostino, controller & treasurer.

Directors: Herman Fialkov, Richard L. Geiger, Paul Richman, Peter F. Dicks, Raymond Frankel, John Gatti, Jospeh L. Parkinson, Richard L. Geiger, Victor F. Trizzino.

Areas of Work: Engaged in the design, development, manufacture and marketing of metal-oxide-semiconductor (MOS) large-scale integrated (LSI) circuits and very large-scale integrated (VLSI) circuits and subsystems. Also designs, develops and markets hardware and software products for the personal computer local area network market.

Subsidiaries:

SMC International, Inc.
St. Thomas, U.S. Virgin Islands

Standard Microsystems Corporations (Asia)
Taipei, Republic of China

Standard Microsystems GmbH
Munich, West Germany

Tokyo Microsystems Corporation (80%-owned)
Tokyo, Japan
Markets the Company's products in Japan.

Transfer Agent(s):

Mellon Securities Trust Company
120 Broadway
New York, New York 10271

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SMSC (NASDAQ)

Number of Employees:

1990	453	1987	N.A.
1989	498	1986	619
1988	614		

N.A. - Not Available.

Plant Footage:

1990	243,000 sq. ft.	1987	197,000
1989	243,000	1986	250,000
1988	243,000		

Sales & Earnings

	Revenues¯	Net Income
1990	$ 77,201,000	$ 4,674,000
1989	71,631,000	(5,925,000)
1988	59,262,000	(3,533,000)
1987	53,155,000	459,000
1986	44,463,000	51,000

	No. of Com. Shares	Earn. per Share ‡
1990	11,436,000	$ 0.41
1989	11,397,000	—
1988	11,263,000	—
1987	11,184,000	0.04
1986	11,097,821	—

(Loss)
‡ Based on the weighted average number of shares outstanding during the year.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 84,986,000	$ 7.43
1989	82,288,000	7.22
1988	87,270,000	7.75
1987	87,125,000	7.80
1986	84,638,000	7.63

Income Account

Year ended Feb. 28	1990	1989
Product sales	$ 66,400,000	$ 68,758,000
Licensing revenues	10,801,000	2,873,000
Net sales & revenues	$ 77,201,000	$ 71,631,000
Cost of sales & revenues	40,865,000	49,724,000
Expenses	31,097,000	32,161,000
Interest expense	529,000	541,000
Interest income	(2,749,000)	(1,844,000)
Minority interest	(147,000)	(201,000)
Income (loss) bef. taxes	$ 7,606,000	$ (8,750,000)
Income taxes (credit)	2,932,000	(2,825,000)
Net Income (Loss)	$ 4,674,000	$ (5,925,000)

Assets

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 38,868,000	$ 28,828,000
Accts. receiv.	17,396,000	15,793,000
Tax refunds receiv.	441,000	441,000
*Inventories	18,146,000	19,132,000
Other curr. assets	1,435,000	1,140,000
Current Assets	$ 76,286,000	$ 65,334,000
#Fixed assets	34,832,000	41,389,000
Other assets	2,094,000	2,152,000
Total Assets	$ 113,212,000	$ 108,875,000

Liabilities

Long-term debt, curr.	$ 2,470,000	$ 83,000
Accts. payable	3,337,000	4,226,000
Accruals & other liab.	4,539,000	3,538,000
Income taxes pay	745,000	36,000
Curr. Liabilities	$ 11,091,000	$ 7,883,000

Long-term debt	1,876,000	4,347,000
Deferred inc. taxes	2,940,000	1,891,000
Minority interest	12,319,000	12,466,000
+Common stock	1,144,000	1,140,000
Add. paid-in capital	55,472,000	55,286,000
Retained earnings	26,861,000	22,187,000
For. curr. trans.	1,509,000	3,675,000
Total Liabilities & Shareholders' Equity	$ 113,212,000	$ 108,875,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.85	—
%Net Income to Revenues	6.05	—
%Net Income to Equity	5.50	—
Debt to Equity	0.05	0.05
Working Capital	$ 65,195,000	$ 57,451,000
Current Ratio	6.88	8.29
Shareholders' Equity	$ 84,986,000	$ 82,288,000

Standex International Corporation

6 Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701
FAX: (603) 893-7324

Officers: Daniel F. Hogan, chairman of the board; Thomas L. King, president & chief exec officer; David R. Crichton, exec. v.p.-operations; Warren S. Cooper, vice chairman; Sam G. Grillo, exec. v.p.-operations; John M. Wall, v.p.-industrial relations & corporate communications; John J. Bentley, controller; Thomas H. DeWitt, exec. v.p.-administration & general counsel; Norman B. Asher, asst. secretary; Lindsay M. Sedwick, treasurer; Deborah A. Rosen, asst. secretary & sr. corp. attorney; Tom L. Peterson, corp. counsel & secretary; Robert R. Kettinger, asst. controller; Kenneth Foden, asst. controller-Europe.

Directors: Daniel E. Hogan*, chairman; John Bolten, Jr., William L. Brown*, Warren S. Cooper*, Samuel S. Dennis, III*, Walter F. Greeley, Thomas L. King*, C. Kevin Landry, Sol Sackel, Daniel B. Hogan, H. Nicholas Muller, III, Thomas H. DeWitt.

* Member of the Executive Committee

Areas of Work: The Electronics Group manufactures electronic components, inductors, capacitors, connectors, microcoils, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems; ducting for heating, air-conditioning, and ventilation systems; hydraulic cylinders, power metal spinning of components for aerospace, energy systems, and industrial applications. The Institutional Products Group manufactures patient-feeding systems, handblown glassware, barbecuing and baking equipment, candle-lamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, casters and wheels, and food racks, cabinets and carts. The Graphics/Mail Order Group publishes religious literature and manufactures election supplies; manufactures commercial printing products and educational materials and specialized binding systems; operates a chain of 15 Berean religious retail bookstores; and sells grapefruit and other gift packages and fund-raising supplies through other mail order operations.

Electronics Divisions & Subsidiaries:

Standex Electronics
4538 Camberwell Road
Cincinnati, Ohio
(513) 871-3777

Produces a broad range of electronic components and assemblies for industrial and consumer use.

Standex Electronics (UK) Limited
Morley Road
Tonbridge, Kent, England
Tonbridge, 0732 358023, England

Manufacturer of the full range of standard reed switches; also vacuum and high pressure reed switches and DIP reed relays for the telecommunications and electronics industries.

Standex Electronics (Douglas)
323 G Avenue
Douglas, Arizona 85607
(602) 364-7964

Manufacturer of electronic components.

S.I. de Mexico S.A. de C.V.
Calle Primera #2550
Agau Prieta
Sonora, Mexico
(602) 364-7966

Manufacturer of electronic components.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 1619
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SXI

Number of Employees:

1989	4,900	1986	5,300
1988	4,900	1985	5,100
1987	5,300		

Plant Footage:

1989	3,530,000 sq. ft.	1986	4,161,000
1988	3,443,000	1985	4,034,000
1987	3,443,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 443,794,617	$ 22,283,531
1988	429,731,701	13,087,580
1987	409,172,577	17,355,000
1986	376,322,000	15,593,000
1985	375,275,000	18,568,000

	No. of Com. Shares #	Earn. per Share #
1989	11,113,000	$ 2.01
1988	11,929,000	1.10
1987	12,350,000	1.41
1986	13,040,000	1.20
1985	13,601,000	1.37

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Graphics/mail order	$ 142,811	$ 156,786
Institutional	169,271	162,196
Industrial	130,719	109,909
General, corporate & other	994	841
Total	$ 443,795	$ 429,732

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.60	—	—
1988	0.55	—	
1987	0.52	—	—
1986	0.52	—	—
1985	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 137,142,000	$ 13.32
1988	156,429,000	13.71
1987	159,664,000	13.05
1986	146,784,000	11.85
1985	147,251,000	10.94

Income Account

Year ended June 30	1989	1988
Net sales	$ 443,794,617	$ 429,731,701
Other income	2,247,533	1,108,489
Total income	$ 446,042,150	$ 430,840,190
Cost of sales	289,479,788	274,743,132
Expenses	103,473,370	106,751,528
Depreciation & amortization	10,777,729	10,786,831
Interest expense	6,760,732	5,421,518
Loss on dispos. of Yield House	—	10,715,601
Income before taxes	$ 35,550,531	$ 22,421,580
Income taxes	13,267,000	9,334,000
Net Income	$ 22,283,531	$ 13,087,580

Assets

As of June 30	1989	1988
Cash	$ 7,937,756	$ 12,198,867
Receiv., net	69,570,774	63,193,072
*Inventories	88,838,102	85,714,484
Prepaid expenses	3,365,366	3,502,663
Current Assets	$ 169,711,998	$ 164,609,086
#Fixed assets	82,010,750	83,314,331
Receivables	9,766,015	15,644,502
Intangibles	15,624,913	12,618,739
Total Assets	$ 277,113,676	$ 276,186,658

Liabilities

Notes payable & long-term debt, curr.	$ 8,255,844	$ 9,540,658
Accts. payable	27,276,727	25,448,416
Accrued payroll	13,579,856	12,376,489
Income taxes	6,978,923	2,728,562
Other curr. liab.	5,715,743	6,939,593
Curr. Liabilities	$ 61,807,093	$ 57,033,718
Long-term debt	64,979,128	48,786,200
Deferred inc. taxes	8,924,000	11,744,000
Other liab.	4,261,066	2,193,928
+Common stock	20,988,209	20,988,209
Add. paid-in capital	6,027,893	5,629,734
Retained earnings	179,572,746	163,818,152
Cum. trans. adjust.	(1,387,303)	4,281,748
Treasury stock	(65,226,017)	(38,289,031)
Loan receiv.-Emp. stock trust	(2,833,139)	—
Total Liabilities & Shareholders' Equity	$ 277,113,676	$ 276,186,658

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.01	5.22
%Net Income to Sales	5.02	3.05
%Net Income to Equity	16.25	8.37
Sales to Inventories	5.00	5.01
Debt to Equity	0.53	0.37
Working Capital	$ 107,904,905	$ 107,575,368
Current Ratio	2.75	2.89
Shareholders' Equity	$ 137,142,389	$ 156,428,812

The L. S. Starrett Company

121 Crescent Street
Athol, Massachusetts 01331-1915
(508) 249-3551
FAX: (508) 249-8495

Officers: Douglas R. Starrett, president; George B. Webber, vice president-Webber Gage Division; Douglas A. Starrett, vice president-operations; Charles H. Morrow, vice president-sales; Roger U. Wellington, Jr., treasurer & chief financial officer; Roger Moore, clerk.

Directors: John N. Engelsted, Douglas R. Starrett, George B. Webber, Douglas A. Starrett, J. Richard Bullock, Andrew B. Sides, Jr., Roger U. Wellington, Jr..

Areas of Work: Manufactures and sells electronic gages, dial indicators, precision measuring tools, three-axis coordinate measuring machines, steel tapes, gageblocks, optical measuring tools, granite surface plates, vises, hacksaws, hole saws, band saws and precision ground flat stock.

Subsidiaries:

The L. S. Starrett Co. of Canada Limited
Starrett Industria e Comercio Ltda. (Brazil)
The L. S. Starrett Company Limited (Scotland)
The L. S. Starrett International Company (Barbados)
Evans Rule Company, Inc.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SCX

Number of Employees:

1989	2,781	1986	2,600
1988	2,797	1985	2,252
1987	2,630		

Plant Footage:

1989	1,156,600 sq. ft.	1986	1,100,000
1988	1,156,600	1985	975,200
1987	1,137,200		

Sales & Earnings

	Net Sales	Net Income
1989	$ 184,317,000	$ 16,359,000
1988	169,869,000	15,847,000
1987	142,215,000	14,369,000
1986	123,881,000	12,701,000
1985	118,386,000	12,734,000

	No. of Com. Shares †	Earn. per Share ‡
1989	6,874,583	$ 2.36
1988	6,904,898	2.29
1987	6,926,724	2.05
1986	7,053,742	1.77
1985	7,275,148	1.71

† Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.63	—	2-for-1
1988	0.585	—	
1987	0.55	—	—
1986	0.54	—	—
1985	0.51	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 111,064,000	$ 16.16
1988	101,711,000	14.73
1987	87,878,000	12.69
1986	78,908,000	11.19
1985	72,685,000	9.99

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 184,317	$ 169,869
Cost of sales	121,626	108,969
Expenses	33,327	31,876
Other expense	5,903	4,255
Income before taxes	$ 23,461	$ 24,769
Income taxes	7,102	8,922
Net Income	$ 16,359	$ 15,847

* Included in Costs and Expenses, Depreciation and Amortization: $6,423,000 in 1989 and $5,574,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash and equivalents	$ 20,056	$ 26,376
Accts. receiv., net	25,017	25,384
*Inventories	55,346	54,274
Prepaid expenses	3,319	3,231
Current Assets	$ 103,738	$ 109,265
#Fixed assets	45,100	40,082
Cost in exc. of assets acq.	9,579	9,847
Other assets	5,445	3,994
Total Assets	$ 163,862	$ 163,188

Liabilities
(000's)

	1989	1988
Accts. payable & accruals	$ 13,283	$ 15,799
Accrued payroll	5,032	4,518
Income taxes	4,620	6,937
Employee deposits	1,707	1,041
Curr. Liabilities	$ 24,642	$ 28,295
Long-term debt	22,539	28,224
Deferred inc. taxes	5,617	4,958
+Class A Common stock	3,680	3,453
+Class B Common stock	3,195	—
Add. paid-in capital	19,762	21,704
Retained earnings	93,652	83,986
For. curr. trans. adj.	(2,986)	(108)
ESOP guaranteed bank loan	(6,239)	(7,324)
Total Liabilities & Shareholders' Equity	$ 163,862	$ 163,188

* At lower of cost (primarily LIFO) or market; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	12.73	14.58
%Net Income to Sales	8.88	9.33
%Net Income to Equity	14.73	15.58
Sales to Inventories	3.33	3.13
Debt to Equity	0.20	0.28
Working Capital	$ 79,096,000	$ 80,970,000
Current Ratio	4.21	3.86
Shareholders' Equity	$ 111,064,000	$ 101,711,000

Storage Technology Corporation

2270 South 88th Street
Louisville, Colorado 80028-4310
(303) 673-5020
FAX: (303) 673-5019

Officers: Ryal R. Poppa, chairman, president & chief exec. officer; Robert G. Costain, corp. v.p.-systems development; Lowell Thomas Gooch, exec. v.p.-operations; Harris Ravine, exec. v.p.-finance & administration; James M. MacGuire, exec. v.p.-worldwide field operations; Sewell I. Sleek, corp. v.p.-human resources; Gregory A. Tymn, corp. v.p. & corp. controller; Carl R. Vertuca, Jr., corp. v.p. & treasurer; David E. Lacey, corporate controller; W. Russell Wayman, general counsel & corp. secretary.

Directors: Ryal R. Poppa, chairman; Richard C. Steadman, Robert E. LaBlanc, Harrison Shull, Robert A. Burgin, Robert E. Lee, Paul Friedman, Stephen J. Keane, Robert C. Wilson.

Areas of Work: Engaged in the design, development, manufacture, marketing and servicing of information storage and retrieval equipment for use with high-performance computers. Principal products include high-performance tape, disk and printer subsystems.

Subsidiaries:

Media Technology Corporation

Documation Incorporated

Storage Technology Finance Corporation

Storage Technology of Australia Pty. Ltd
586 Pacific Highway
Chatswood, New South Wales 2067, (Sydney) Australia

Storage Technology of Canada, Ltd.
51 International Boulevard
Rexdale/Toronto, Ontario M3W 6H3, Canada

Storage Technology Corporation, S.A.
Zone Industrielle
41 Rue Fourny
78350 BUC, France

Storage Technology Italia S.p.A.
Via Elio Vittorini, 78
Palazzo Uffici
00144 Rome, Italy

Nippon STC Kabushiki Kaisha
Taneda Building, 8F, 2-5, 1-Chome
Moto Akasaka
Minato-Ku, Tokyo 107, Japan

Storage Technology Corporation de Puerto Rico Inc.
Highway 127, Lot #13, P.O. Box 7334
Ltuge Industrial Park
Ponce 00731, Puerto Rico

Documation Mayaguez
STC
Zona Industrial Park
P.O Box 398
Mayaguez 00708, Puerto Rico

Storage Technology (Switzerland) A.G.
Gladbachstrasse 121
Zurich 8044, Switzerland

Storage Technology (Europe) Limited
European Headquarters
17 Old Court Place
Kensington, London W8 4PL, England

Acquisition:

Aspen Peripherals Corp.
Aspen, Colorado

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Boston, Philadelphia, Pacific.

Ticker Symbol: STK

Number of Employees:

1989	9,300	1986	8,608
1988	8,500	1985	8,540
1987	N.A.		

Plant Footage:

1989	N.A.	1986	2,020,000
1988	1,600,000 sq. ft.	1985	2,020,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings x

	Revenues	Net Income ‡
1989	$ 982,520,000	$ 47,749,000
1988	883,735,000	35,047,000
1987	754,864,000	(360,204,000)
1986	696,166,000	30,283,000
1985	673,419,000	(59,866,000)

	No. of Com. Shares +	Earn. per Shares ‡ +
1989	26,036,000	$ 1.83
1988	26,059,000	1.34
1987	24,680,000	—
1986	N.A.	1.30
1985	N.A.	—

(Loss)
N.A. - Not Available.
x Restated to include operations of Aspen Peripherals Corp., acquired on a pooling of interests basis.
‡ Including extraordinary loss of $380,739 in 1987 and extraordinary gains of $11,300,000 ($0.43 per share) in 1989, $19,335,000 in 1986 and $2,479,000 in 1985.
+ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Revenues by Line of Business

	1989	1988	1987
Serial access subsystems	63.3 %	48.7 %	34.9 %
Random access subsystems	23.0	34.3	45.1
Printer subsystems	13.7	17.0	20.0
Total	100.0 %	100.0 %	100.0 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	1-for-10

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 337,143,000	$ 12.95
1988	286,200,000	10.98
1987	248,447,000	10.07
1986	(16,087,000)	—
1985	(54,730,000)	—

(Deficiency)
x Restated.
‡ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Income Account *
(000's)

Year ended	12/29/89	12/30/88‡
Net sales	$ 690,474	$ 588,456
Rental & service inc.	292,046	295,279
Total revenue	$ 982,520	$ 883,735
Cost of revenue	676,830	614,143
Expenses	249,356	222,501
Interest expense	49,274	48,941
Interest income	(31,489)	(32,338)
Reorganization gains	—	(1,559)
Income before taxes	$ 38,549	$ 32,047
Income taxes (credit)	2,100	(3,000)
Net Income	$ 36,449	$ 35,047
Extraord. gain	11,300	—
Net Income & extraord. gain	$ 47,749	$ 35,047

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $106,403,000 in 1989 and $88,505,000 in 1988.

Assets
(000's)

As of	12/29/89	12/30/88‡
Cash & cash equiv.	$ 61,398	$ 124,075
Short-term invest.	—	3,839
Accts. receiv., net	189,290	111,712
Notes receiv., net	12,979	12,179
Sales-type leases	81,386	89,625
*Inventories	132,875	93,538
Current Assets	$ 477,928	$ 434,968
Notes receiv., net	24,586	20,171
Sales-type leases	135,353	114,192
#Rental equipment	90,008	73,589
#Fixed assets	172,720	156,908
†Spare parts	44,225	42,388
Other assets	32,159	12,980
Total Assets	$ 976,979	$ 855,196

Liabilities
(000's)

Long-term debt, curr.	$ 26,471	$ 6,249
Nonrecourse borrowings	37,295	29,292
Deferred interest pay.	12,024	12,010
Accts. payable	52,039	31,414
Accruals	140,700	119,118
Income taxes pay.	7,063	11,393
Curr. Liabilities	$ 275,592	$ 209,476
Long-term debt	309,838	311,827
Deferred interest pay.	3,006	12,010
Nonrecourse borrowings	49,783	34,122
Deferred income taxes	1,617	1,561
+Common stock	2,570	2,548
Add. paid-in capital	903,121	899,915
Retained earnings (deficit)	(568,284)	(616,033)
Treasury stock	(264)	(230)
Total Liabilities & Shareholders' Equity	$ 976,979	$ 855,196

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
† Less accumulated amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	3.92	3.63
%Net Income to Revenues	3.71	3.97
%Net Income to Equity	10.81	12.25
Debt to Equity	1.26	1.33
Working Capital	$ 202,336,000	$ 225,492,000
Current Ratio	1.73	2.08
Shareholders' Equity	$ 337,143,000	$ 286,200,000

Stratus Computer, Inc.

55 Fairbanks Boulevard
Marlboro, Massachusetts 01752
(508) 460-2000
FAX: (508) 481-8945

Officers: William E. Foster, president & chief executive officer; James E. D. Austin, sr. v.p.-manufacturing; John H. Curtis, sr. v.p.-international sales; Robert A. Freiburghouse, sr. v.p.-marketing & engineering; William H. Thompson, sr. v.p.-marketing; Gary E. Haroian, sr. v.p.-finance & administration; William B. Elliott, v.p.-strategic planning; Michael J. Grady, v.p.-major account engineering; William J. McBride, v.p.-hardware engineering; Gary H. Okimoto, v.p.-software engineering; J. Donald Oldham, v.p.-industry marketing & programs; Alex Lupinetti, v.p.-Sales System/88 Division; Joseph W. Sullivan, v.p.-manufacturing operations; Paul R. Tucker, sr. v.p.-Worldwide Sales & Service; Robert E. Donahue, v.p. & corp. controller; Thomas F. Mendoza, v.p.-U.S. Western Sales; Greg A. Sheard, v.p.-customer service; Richard L. Tarulli, v.p.-U.S. Eastern Sales.

Directors: Alexander V. d'Arbeloff, Paul J. Ferri, William E. Foster, Gardner C. Hendrie, J. Burgess Jamieson, Robert M. Morrill.

Areas of Work: Designs, manufactures, markets and services a family of fault-tolerant Continuous Processing Systems for on-line transaction processing and communications control.

Subsidiaries:

Stratus Computer Corp.
120 Adelaide Street West
Suite 2000
Toronto, Ontario M5H 1H, Canada
(416) 947-9504

Stratus Canada Corporation
Burnby, British Columbia, Canada

Stratus Computer, OY
Malmin Kauppatie 8
00700 Helsinki, Finland
358-0-35-11144

Stratus Computer, S.A.
Calle Antonio Maura 4
28014 Madrid, Spain
34-1-531-5445

Stratus Canada Corporation
Montreal, Quebec, Canada

Stratus Computer, Limited
30 Cannon Street
London EC4M 6XH, England
44-1-248-8383

Stratus Computer
Tour Leopold, 4th Floor
Rue de Geneve 10
1140 Brussels, Belgium
322-242-4119

Stratus Computer, Ltd.
Warrington, Great Britain

Stratus Computer S.A.
14 Rue de Prony
75017 Paris, France
33-1-426-70303

Stratus Computer, GmbH
Frankfurter Strasse 63-69
6236 Eschborn TS, Federal Republic of Germany
49-6196-47250

Stratus Computer (Hong Kong) Limited
3501 One Exchange Place
Central, Hong Kong
852-5-844-5200

Stratus Japan, K.K.
Shoei Rokubancho Building 4F
6 Rokubancho, Chiyoda-ku
Tokyo 102, Japan
81-3-234-5301

Stratus Computer B.V.
P.O. Box 1300
3600 BH Maarssen
The Netherlands
31-3465-7444

Stratus Italia, S.R.L.
Milan, Italy

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STRA (NASDAQ)

Number of Employees:

1989	2,147	1986	1,069
1988	1,711	1985	775
1987	1,224		

Plant Footage:

1989 .... 629,400 sq. ft. 1988 427,313

Sales & Earnings

	Revenues	Net Income
1989	$ 341,327,000	$ 35,393,000
1988	265,314,000	29,344,000
1987	184,150,000	19,395,000
1986	124,559,000	13,519,000
1985	80,164,000	8,615,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	20,712,000	$ 1.71
1988	20,257,000	1.45
1987	19,974,000	0.97
1986	19,391,000	0.70
1985	19,133,000	0.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 183,972,000	$ 8.88
1988	138,985,000	6.86
1987	102,360,000	5.12
1986	75,698,000	3.90
1985	59,403,000	3.10

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Revenues:		
Product	$ 289,394	$ 233,074
Service	51,933	32,240
Total income	$ 341,327	$ 265,314
Cost of revenues	133,714	104,527
Expenses:		
Res. & develop.	45,138	30,558
Sell., gen. & adm.	108,782	85,113
Other income	(1,599)	(729)
Income before taxes	$ 55,292	$ 45,845
Income taxes	19,899	16,501
Net Income	$ 35,393	$ 29,344

* Included in Costs and Expenses, Depreciation and Amortization: $18,670,000 in 1989 and $11,687,000 in 1988.

Assets
(000's)

As of	12/31/89	1/1/89
Cash & cash equiv.	$ 32,087	$ 28,350
Accts. receiv., net	114,272	74,887
*Inventories	45,481	45,494
Other curr. assets	5,141	3,174
Current Assets	$ 196,981	$ 151,905
#Fixed assets	67,187	41,806
Other assets	9,930	6,076
Total Assets	$ 274,098	$ 199,787

Liabilities
(000's)

Cap. lease oblig., curr	$ 5,324	$ 2,765
Accts. payable	13,236	12,390
Accrued payroll	11,535	8,732
Other accruals	13,595	9,841
Income taxes	17,034	16,904
Curr. Liabilities	$ 60,724	$ 50,632
Cap. lease oblig.	29,402	10,170
+Common stock	202	196
Add. paid-in capital	75,601	65,068
Retained earnings	109,340	73,947
Cum. trans. adjust.	(1,171)	(226)
Total Liabilities & Shareholders' Equity	$ 274,098	$ 199,787

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	16.20	17.28
%Net Income to Revenues	10.37	11.06
%Net Income to Equity	19.24	21.11
Debt to Equity	0.19	0.09
Working Capital	$ 136,257,000	$ 101,273,000
Current Ratio	3.24	3.00
Shareholders' Equity	$ 183,972,000	$ 138,985,000

Sumitomo Heavy Industries, Ltd.

Shin-Ohtemachi Bldg., 2-1, Ohtemachi
2-chome, Chiyoda-ku
Tokyo, Japan
(03) 245-4078

Osaka Office
Sumitomo Bldg., 5-33, Kitahama
4-chome, Chuo-ku
Osaka, Japan
(06) 223-7111

Directors: Shigeru Gohda, chairman; Masataka Kubo, president; Takuro Kaji, exec. managing director; Atsushi Naitoh, exec. managing director; Isao Ohno, managing director; Fumio Miyazaki, managing director; Tsutomu Kurihara, managing director; Mitoshi Ozawa, managing director; Koichi Seki, director; Mansho Kato, director; Kimimochi Hara, director; Yasuo Ashida, director; Toshimasa Makino, director; Shigetoshi Ochiai, director; Yasufumi Uenoyama, director; Haruo Shinoura, director; Keizaburo Saitama, auditor; Saburo Suzuki, director; Hiroshi Hanafusa, director.

Divisions and Subsidiaries:

INDUSTRIAL MACHINERY, ENGINES AND CASTING/FORGING MACHINERY

Shin Nippon Machine Mfg., Ltd.
Manufacture and sales of turbines, pumps, fasteners, blowers, heat exchangers, ejectors and marine equipment.

Sumitomo Heavy Industries Forging, Ltd.
Manufacture and sales of casting/forging equipment, rollers and sliding nozzles, and other peripheral enterprises.

FOOD, CHEMICAL AND ENVIRONMENTAL EQUIP.

Sumitomo Jukikai Environment, Inc.
Manufacture, sales and peripheral construction of various treatment facilities for clean water, waste water and industrial waste water; garbage disposal equipment, industrial solid separating equipment, resource development facilities and individual units.

Japan Air Filter Co., Ltd.
Manufacture and sales of air purifying equipment and dust collectors.

CONSTRUCTION MACHINERY AND MATERIAL HANDLING FACILITIES

Sumitomo (S.H.I.) Construction Machinery Co. Ltd.
Manufacture and sales of construction machinery.

SYSTEMS

Lightwell Co., Ltd.
Design, production and sales of on-line systems; data processing assistance; and sales of software and related equipment.

Acquisition:

Lumonics, Inc.
Canadian laser manufacturer.

Stock Exchange(s): Tokyo

Number of Employees

1989 6,000

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	¥ 369,371,000	¥ 4,215,000
1988	285,330,000	457,000

	No. of Com. Shares	Earn. per Share +
1989	518,594,000	¥ 7.44
1988	564,296,000	0.82

¥ - Yen
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	¥ 66,483,000	¥ 128.20
1988	61,609,000	109.18

Income Account
(millions)

Year ended Mar. 31	1989	1988
Net sales	¥ 369,371	¥ 285,330
Cost of sales	320,653	251,244
Expenses	37,898	32,333
Interest expense	10,193	11,046
Interest income	(2,267)	(3,930)
Gain on sale of market. secur.	(4,689)	(8,370)
Gain on sale of invest. secur.	—	(1,705)
Gain on sale of P.P.& E.	(1,133)	—
Loss on invest. in subsid.	850	—
Loss on dispos. of P.P.& E.	1,292	—
Other expense	1,637	3,434
Income before taxes	¥ 4,937	¥ 1,278
Income taxes	1,087	850
Minority interests	130	72
Eq. in earn. of unconsol. subsid. & affil. cos.	(495)	(101)
Net Income	¥ 4,215	¥ 457

Assets
(millions)

As of Mar. 31	1989	1988
Cash & time deposits	¥ 44,087	¥ 48,736
Marketable securities	42,973	42,203
Accts. receiv., net	177,153	135,628
*Inventories	99,617	98,963
Prepaid expenses	15,432	19,145
Current Assets	¥ 379,262	¥ 344,675
#Fixed assets	67,887	64,027
Investments, long-term loans & other assets	27,490	20,755
Total Assets	¥ 474,639	¥ 429,457

Liabilities
(millions)

Notes payable	¥ 131,844	¥ 117,727
Long-term debt, curr.	18,875	21,348
Accts. payable	109,369	87,216
Advance payments on contracts	43,273	47,665
Accruals	33,762	28,270
Current Liabilities	¥ 337,123	¥ 302,226
Long-term debt	66,786	61,592
Minority interest	2,939	2,872
Employees' severance	1,092	1,158
Other liabilities	216	—
+Common stock	30,872	30,865
Add. paid-in capital	26,752	26,745
Legal reserve	4,690	4,690
Retained earnings (deficit)	4,219	(691)
Treasury stock	(50)	—
Total Liabilities & Shareholders' Equity	¥ 474,639	¥ 429,457

* Work in process are stated principally at cost based on specific method. Finished products, semi-finished products, raw materials and supplies are stated principally at cost based on average method.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.34	0.45
% Net Income to Sales	1.14	0.16
% Net Income to Equity	6.34	0.74
Sales to Inventories	3.71	2.88
Debt to Equity	[illegible]	3.26
Working Capital (000's)	¥ 42,139,000	¥ 42,449,000
Current Ratio	1.12	1.14
Shareholders Equity (000's)	¥ 66,483,000	¥ 61,609,000

Sun Electric Corporation

One Sun Parkway
Crystal Lake, Illinois 60014
(815) 459-7700
FAX: (815) 459-7852

Officers: Gerald A. Kien, chairman, president & chief executive officer; H. Allan Stark, sr. v.p.-legal & human resources & secretary; Craig A. Loomis, sr. v.p.-U.S. Automotive operations; Robert J. Rzadzki, v.p.-engineering; Michael P. Nicholas, v.p.-U.S. materials mgmt. & mfg. operations & president-Suntronic Systems; Peter T. Shukas, v.p.-personnel; Martin M. Ellen, v.p. & chief financial officer; Ronald J. Ortiz, v.p., & president-Sun Electric Europe.

Directors: C.J. Gauthier*, Gerald A. Kien*, H. Allan Stark, Craig A. Loomis, Lee N. Mortenson*, Reginald R. Baxter, John C. Page.

* Member of the Executive Committee

Areas of Work: Engaged in the design, manufacture and marketing of diagnostic, test and service equipment for the transportation industry, utilizing microcomputer applications and advanced electronics. The company serves primarily the vehicle service industry, consumers, and motor vehicle manufacturers in more than 100 countries. Sun Electric's product line includes engine and emissions analyzers; wheel service equipment, including balancers, aligners and brake service equipment; a line of hand-held engine test equipment for home mechanics and repair professionals; and air conditioning and electrical systems testers. These products aid in vehicle maintenance, improve fuel economy, monitor exhaust emissions and check compliance with safety standards. The Company also markets management systems for retail petroleum and convenience store operations.

Divisions and Subsidiaries:

Suntronic Systems Division
Crystal Lake, Illinois

Vehicle Test Technology, Inc. (50%-owned)
Bellevue, Washington
Operates vehicle emission inspection stations in the State of Washington.

Sun Electric do Brasil Comercio e
Industria Limitada
Sao Paulo, Brazil

Sun Electric Europe B.V.
Amsterdam, The Netherlands

Sun Electric Austria GmbH
Vienna, Austria

Suntester (Aust.) Pty. Ltd.
Sydney, Austria

Sun Electric de Mexico S.A. de C.V.
Mexico City, Mexico

Sun Electric U.K. Limited
King's Lynn, Norfolk, England

Sun Electric Belgium N.V.
Antwerp, Belgium

Sun Electric Nederland B.V.
Amsterdam, The Netherlands

Sun Electric Deutschland GmbH
Dusseldorf, West Germany

Sun Automotive Equipment (Canada) Ltd.
Toronto, Ontario, Canada

Sun Electric Systems B.V.
Weesp, The Netherlands

Musashi Sun Electric K.K.
Toyko, Japan

Transfer Agent(s):

Harris Trust & Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SE

Number of Employees:

1989	2,327	1986	2,506
1988	2,447	1985	2,505
1987	2,441		

Plant Footage:

1989	N. A.	1986	755,400
1988	677,400 sq. ft.	1985	705,700
1987	695,400		

N. A.- Not Available

Sales & Earnings

	Net Sales +	Net Income #
1989	$ 184,416,000	$ (8,092,000)
1988	190,032,000	(4,223,000)
1987	203,904,000	4,951,000
1986	176,998,000	1,932,000
1985	164,296,000	(9,485,000)

	No. of Com. Shares †	Earn. per Share #†
1989	7,675,000	$ —
1988	6,898,000	—
1987	7,054,000	0.70
1986	6,808,000	0.28
1985	6,540,000	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $1,688,000 ($0.24 per share) in 1987, $557,000 ($0.08 per share) in 1986 and $173,000 ($0.03 per share) in 1985.
† Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Diagnostic & test equip.	$ 175,311,000	$ 181,910,000
Service sta. management equip.	9,105,000	8,122,000
Total	$ 184,416,000	$ 190,032,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 77,727,000	$ 9.59
1988	75,369,000	10.74
1987	80,410,000	11.47
1986	71,430,000	10.16
1985	64,475,000	9.83

Income Account *

Year ended Dec. 31	1989	1988
Net sales:		
Equip. sales	$ 148,450,000	$ 154,354,000
Service revenues	35,966,000	35,678,000
Total income	$ 184,416,000	$ 190,032,000
Cost of sales	106,684,000	104,364,000
Expenses	75,842,000	79,943,000
Restruc. charges	2,184,000	2,200,000
Interest expense	3,810,000	5,082,000
Interest income	(3,828,000)	(1,509,000)
For. curr. losses	2,619,000	1,071,000
Earn. of unconsol. affil.	(644,000)	(542,000)
Other expense	526,000	679,000
Loss bef. taxes	$ (2,777,000)	$ (1,256,000)
Income taxes	5,315,000	2,967,000
Net Loss	$ (8,092,000)	$ (4,223,000)

* Included in Costs and Expenses, Depreciation and Amortization: $5,714,000 in 1989 and $5,632,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 461,000	$ 573,000
Short-term invest.	4,627,000	2,183,000
Accts. receiv., net	43,914,000	46,577,000
*Inventories	65,960,000	77,086,000
Current Assets	$ 114,962,000	$ 126,419,000
Investments & advances	1,187,000	1,701,000
#Fixed assets	26,446,000	27,222,000
Other assets	5,213,000	5,120,000
Total Assets	$ 147,808,000	$ 160,462,000

Liabilities

Notes payable	$ 8,758,000	$ 11,246,000
Accts. payable	14,523,000	13,787,000
Accrued payroll	5,824,000	6,484,000
Accrued taxes	1,594,000	2,570,000
Deferred revenues	3,724,000	3,872,000
Other accruals	10,356,000	10,153,000
Income taxes	2,806,000	1,232,000
Curr. Liabilities	$ 47,645,000	$ 49,344,000

Long-term debt	21,113,000	35,530,000
Deferred inc. taxes	280,000	219,000
Other liabilities	1,043,000	—
+Common stock	8,381,000	7,308,000
Add. paid-in capital	57,628,000	46,786,000
Retained earnings	13,320,000	21,412,000
Treasury stock	(2,091,000)	(2,104,000)
Cum. translation adjustment	489,000	1,967,000
Total Liabilities & Shareholders' Equity	$ 147,808,000	$ 160,462,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Debt to Equity	0.38	0.62
Working Capital	$ 67,317,000	$ 76,856,000
Current Ratio	2.41	2.55
Shareholders' Equity	$ 77,727,000	$ 75,369,000

Sun Microsystems, Inc.

2550 Garcia Avenue
Mountain View, California 94043
(415) 960-1300

Officers: Scott G. McNealy, chairman of the board, president & chief exec. officer; vice presidents: , Brenda C. Adams, Kohei Amo, Darryl T. Barbe, Carol A. Bartz, James R. Bean, Andreas V. Bechtolsheim, Charles W. Berger, Crawford W. Beveridge, Richard C. Bowman, Robert A. Coe, Timothy J. Dwyer, Mel Friedman, Lawrence L. Garlick, Robert A. Garrow, Michael A. Graves, Lawrence W. Hambly, Leonard B. Hughes, William N. Joy, Robert A. Kennedy, Klaus D. Kramer, Helmut Krings, Howard F. Lee, Terence M. Lenaghan, William G. Marr, Shaun M. McConnon, Richard W. McQuillen, Jesse W. Mobley, Michael H. Morris, Dennis M. Ohryn, W. William Passmore, Alain Daniel Pechon, Bernard L. Peuto, William J. Raduchel, Joseph P. Roebuck, Wayne E. Rosing, Eric E. Schmidt, Richard W. Shapero, Carl G. Wolf, Curtis S. Wozniak, Edward J. Zander.

Directors: Scott G. McNealy, chairman of the board; L. John Doerr, William Randolph Hearst, III, Robert M. Kavner, Bernard J. Lacroute, Robert L. Long, M. Kenneth Oshman, Robert Sackman.

Areas of Work: The Company is a leading supplier of network-based distributed computing systems, including workstations, servers, networking hardware and software and the UNIX operating system. The Company's systems are used in computer-aided design, manufacturing, artificial intelligence, software engineering, electronic publishing, automated testing, and financial services.

Transfer Agent(s):

First National Bank of Boston
Shareholder Services
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SUNW (NASDAQ)

Number of Employees:

1989	10,208
1988	7,090

Sales & Earnings

	Revenues	Net Income
1989	$ 1,765,366,000	$ 60,838,000
1988	1,051,618,000	66,436,000
1987	537,537,000	36,298,000
1986	210,126,000	11,189,000
1985	115,249,000	8,533,000

	No. of Com Shares +	Earn per Share +
1989	85,161,000	$ 0.76
1988	77,880,000	0.89
1987	67,348,000	0.55
1986	53,240,000	0.21
1985	47,532,000	0.18

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

		Cash Stock Dividend	Stock
1989	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 661,800,000	$ 7.77
1988	369,960,000	4.75
1987	240,734,000	3.58
1986	108,347,000	2.04
1985	48,378,000	1.02

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1989	1988
Revenues	$ 1,765,366	$ 1,051,618
Cost of revenues	1,010,250	550,344
Expenses:		
Res. & develop.	234,106	139,906
Sell., gen. & adm.	432,556	250,341
Oper. profit	$ 88,454	$ 111,027
Interest expense	14,292	12,412
Interest income	(3,851)	(12,110)
Income before taxes	$ 78,013	$ 110,725
Income taxes	17,175	44,289
Net Income	$ 60,838	$ 66,436

* Included in Costs and Expenses, Depreciation and Amortization: $102,823,000 in 1989 and $53,560,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 53,694	$ 128,195
Accts. receiv., net	341,999	214,847
*Inventories	308,706	143,359
Stock subscription receiv.	75,070	—
Prepaid inc. taxes	55,065	25,592
Other curr. assets	45,269	20,201
Current Assets	$ 879,803	$ 532,194
#Fixed assets	293,994	172,417
Other assets	95,277	52,583
Total Assets	$ 1,269,074	$ 757,194

Liabilities
(000's)

Notes payable	$ 124,079	$ 30,633
Accts. payable	193,296	120,484
Accrued payroll	43,812	28,346
Other accruals	62,509	38,100
Income taxes	30,353	37,722
Other current liabilities	8,486	4,260
Current Liabilities	$ 462,535	$ 259,545
Long-term debt	142,764	124,689
Other liabilities	1,975	3,000
+Common stock	56	24
Add. paid-in capital	476,097	244,493
Retained earnings	186,476	125,638
Receiv. from stockholders	(128)	(457)
For. curr. trans. adjust.	(701)	262
Total Liabilities & Shareholders' Equity	$ 1,269,074	$ 757,194

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.00067 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.42	10.53
% Net Income to Sales	3.45	6.32
% Net Income to Equity	9.19	17.96
Sales to Inventories	5.72	7.34
Debt to Equity	0.40	0.42
Working Capital	$ 417,268,000	$ 272,649,000
Current Ratio	1.90	2.05
Shareholders Equity	$ 661,800,000	$ 36[illegible],960,000

Sunair Electronics, Inc.

3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315
(305) 525-1505
FAX: (305) 765-1322

Officers: Robert Uricho, Jr., chiarman of the board, president & chief exec. officer; Sue A. Steadman, v.p.-sales administration; William R. Dawes, secretary & general counsel; Richard H. Hoster, sr. v.p. & chief financial officer; George V. Lennon, III, v.p. & gen. mgr.; James E Laurent, v.p.-marketing.

Directors: Robert Uricho, Jr., chairman; Everett A. Cooper, William R. Dawes, Earl M. Anderson, Jr., Robert R. Williams.

Areas of Work: Engaged in the design, manufacture and sale of high-frequency single sideband communications equipment utilized for long-range voice and data communications in fixed station, airborne, mobile and marine applications.

Subsidiaries:

Sunair International Sales Corp.
3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNRU (NASDAQ)

Number of Employees:

1989	92
1988	92
1987	83
1986	120
1985	126

Plant Footage:

1989	67,700 sq. ft.
1988	67,700
1987	67,700
1986	67,700
1985	67,700

Sales & Earnings

	Net Sales	Net Income
1989	$ 4,466,194	$ 389,450
1988	5,164,558	989,504
1987	7,684,465	1,624,201
1986	7,383,149	1,470,751
1985	8,150,233	2,041,226

	No. of Com. Shares #		Earn. per Share #
1989	3,930,727	$	0.10
1988	3,933,696		0.25
1987	4,543,319		0.36
1986	4,704,464		0.31
1985	4,736,079		0.43

# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

		Cash Dividend		Stock Dividend	Stock Split
1989	$	—		—	—
1988		1.87	*	—	
1987		0.24		—	—
1986		0.24		—	—
1985		0.24		—	—

* Including a special dividend of $1.63.

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	11,761,438	$	2.99
1988		11,371,988		2.89
1987		20,470,380		4.62
1986		21,039,851		4.58
1985		21,356,877		4.53

Income Account*

Year ended Sept. 30		1989		1988
Net sales	$	4,466,194	$	5,164,558
Cost of sales		2,550,974		2,791,589
Expenses		1,565,983		1,830,812
Interest income		(216,093)		(708,216)
Other expense		67,880		24,859
Income before taxes	$	497,450	$	1,225,514
Income taxes		108,000		236,010
Net Income	$	389,450	$	989,504

* Included in Costs and Expenses, Depreciation and Amortization: $165,807 in 1989 and $214,285 in 1988.

Assets

As of Sept. 30		1989		1988
Cash & short-term invest.	$	621,513	$	911,552
Accts. receiv., net		691,436		1,071,601
*Inventories		7,854,230		6,737,440
Prepaid expenses		43,969		62,463
Current Assets	$	9,211,148	$	8,783,056
Investments		2,002,240		2,003,200
#Fixed assets		1,146,078		1,236,786
Other assets		1,000		1,000
Total Assets	$	12,360,466	$	12,024,042

Liabilities

		1989		1988
Accts. payable	$	257,814	$	349,950
Accruals		341,214		302,104
Curr. Liabilities	$	599,028	$	652,054
+Common stock		480,074		480,074
Add. paid-in capital		2,610,798		2,610,798
Retained earnings		13,632,313		13,242,863
Treasury stock		(4,961,747)		(4,961,747)
Total Liabilities & Shareholders' Equity	$	12,360,466	$	12,024,042

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales		11.14		23.73
%Net Income to Sales		8.72		19.16
%Net Income to Equity		3.31		8.70
Sales to Inventories		0.57		0.77
Working Capital	$	8,612,120	$	8,131,002
Current Ratio		15.38		13.47
Shareholders' Equity	$	11,761,438	$	11,371,988

Sundstrand Corporation

4949 Harrison Avenue
P.O. Box 7003
Rockford, Illinois 61125-7003
(815) 226-2500
FAX: (815) 226-2699

Officers: Don R. O'Hare, chairman of the board; Harry C. Stonecipher, president & chief executive officer; Robert J. Smuland, group v.p.-advanced technology; Philip W. Polgreen, v.p.-personnel & public relations; Kenelm A. Groff, v.p.-administration; Richard M. Schilling, v.p., general counsel & secretary; Paul Donovan, v.p.-finance & treasurer; Stanley F. Moeschl, group v.p.-data control; Bernard L. Weiss, v.p.-contracts & compliance; Berger G. Wallin, group v.p.-industrial group; DeWayne J. Fellows, controller.

Directors: Don R. O'Hare, chairman; Klaus Murmann, Donald E. Nordlund, Robert C. Hyndman, John A. Puelicher, Thomas G. Pownall, Judge Robert H. Bork, Thomas L. Martin, Jr., Ward Smith, Charles Marshall, Harry C. Stonecipher, David C. Acheson, Thomas G. Pownall.

Areas of Work: The Company's operations can be divided into three groups: power transmission, fluid and heat transfer, and aerospace. Power transmission activities include the manufacture of mechanical power transmissions and couplings for stationary units and marine propulsion drives; hydraulic gear pumps and motors; and controls for a variety of work vehicles and industrial equipment. The aerospace segment manufactures voice and data recorders, tape transport units, navigation systems and data banks, ground proximity warning systems, stall warning systems, controls to supply electrical power for aircraft and related products. The fluid and heat transfer group is engaged in the manufacture of high speed centrifugal pumps and blowers, fuel oil pumps, and heating and cooling components.

Divisions and Subsidiaries:

Sundstrand Hydraulics
2210 Harrison Avenue
Rockford, Illinois 61101
(815) 226-6000

Sundstrand Hydratec

Sundstrand Fluid Handling
14845 W. 65th Avenue
Arvada, Colorado
(303) 425-0800

The Falk Corporation
P.O. Box 492
Milwaukee, Wisconsin 53201
(414) 342-3131

The Falk Corporation
Auburn Operation
P.O. Box 1387
Auburn, Alabama 36830
(205) 821-9100

Sunstrand Heat Transfer, Inc.
P.O. Box 530
Dowagiac, Michigan 49047
(616) 782-2141

Sundstrand Tubular Products, Inc.
P.O. Box 636
Camdenton, Missouri 65020
(314) 346-5593

Sundstrand Energy Systems
Rockford, Illinois

Sundstrand Advanced Technology

Sundstrand Data Control, Inc.
Overlake Industrial Park
Redmond, Washington 98052
(206) 885-3711

Trans Com. Division of Sundstrand Data Control, Inc.
3100 Pullman Avenue
Costa Mesa, California 92626
(714) 979-2600

Falk Canada Inc.
Toronto, Ontario, Canada

Falk do Brasil Equipanmentos Industrias Ltda.
San Paulo, Brazil

Mecanica Falk, S.A. de C.V.
(49%) owned
Mexico City, Mexico

Sundstrand Pacific (Pte.) Ltd.
Singapore, Republic of Singapore

Sundstrand France
Dijon, France

Nikkiso-Sundstrand Company Limited
(50% owned)
Toyko, Japan

Munck-Sundstrand Transmissoes Hidro Staticas Ltda.
(40% owned)
Sao Paulo, Brazil

Global-Wulfsberg Systems
Irvine, California
Markets specialized communication systems.

Sullair Corporation
Manufactures rotary screw compressors and systems for air, gas, process and refrigeration applications.

Signatron, Inc.
Lexington, Massachusetts
Engaged in specialized communication products and custom engineering in radar, communication, computer simulation, software, signal processing, and electronic warfare equipment.

Sundstrand Turbomach
San Diego, California
Manufacturer of small, lightweight gas turbine engines for airborne, ground, and vehicular power units.

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3981
Church Street Station
New York, New York 10008-3981

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: SNS

Number of Employees:

1989	13,700	1986	16,000
1988	13,800	1985	16,100
1987	14,200		

Plant Footage:

1989	7,730,000 sq. ft.	1986	6,992,000
1988	N.A.	1985	7,796,000
1987	7,285,000		

N.A. - Not Available.

Sales & Earnings

		Net Sales (000's)		Net Income (000's)
1989	$	1,595,398	$	120,792
1988		1,477,289		(76,643)
1987		1,365,482		34,635
1986		1,433,940		45,400
1985		1,284,141		74,448

	No. of Com. Shares #	Earn. per Share #
1989	18,494,000	$ 6.17
1988	18,473,000	—
1987	18,726,000	1.85
1986	18,733,000	2.42
1985	18,533,000	4.02

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Aerospace	$ 1,068,789	$ 1,021,965
Industrial	526,609	455,324
Total	$ 1,595,398	$ 1,477,289

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.80	—	—
1988	1.80	—	
1987	1.80	—	—
1986	1.80	—	—
1985	1.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 573,020,000	$ 30.87
1988	489,508,000 ‡	26.47
1987	594,988,000	32.32
1986	604,669,000	32.24
1985	589,129,000	31.56

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,595,398	$ 1,477,289
Cost of sales	1,034,510	1,027,733
Expenses	330,273	339,063
Gov't. contract disputes prov.	—	125,900
Interest expense	99,062	105,389
Royalties & commissions	(4,150)	(2,821)
Interest income	(49,962)	(48,738)
Gain on sale of Trans Com	(16,637)	—
Other expense	1,650	10,971
Income (loss) bef. taxes	$ 200,652	$ (80,208)
Income taxes (credit)	79,860	(30,100)
Cum. effect of acct. change	—	26,535
Net Income (Loss)	$ 120,792	$ (76,643)

* Included in Costs and Expenses, Depreciation and Amortization: $96,212,000 in 1989 and $96,238,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 17,970	$ 36,654
Accts. receiv., net	317,605	291,482
*Inventories	428,818	390,116
Def. inc. taxes	81,309	86,091
Other curr. assets	49,037	46,255
Current Assets	$ 894,739	$ 850,598
#Fixed assets	448,582	506,083
Intangibles	104,212	108,804
Other assets	55,348	101,545
Total Assets	$ 1,502,881	$ 1,567,030

Liabilities
(000's)

Notes payable	$ 97,159	$ 61,691
Long-term debt, curr.	24,438	48,344
Accts. payable	98,040	111,651
Accrued payroll	24,073	23,372
Contrib. due retirement plans	16,920	18,643
Prov. for losses on contracts	60,720	72,618
Gov't. contr. disputes prov.	—	57,800
Other accruals	116,669	95,687
Current Liabilities	$ 438,019	$ 489,806
Long-term debt	234,261	259,456
Deferred inc. taxes	226,058	206,433
Other liabilities	31,523	21,827
+Preferred stock	—	100,000
++Common stock	18,921	18,921
Add. paid-in capital	136,343	133,506
Retained earnings	448,570	367,706
Foreign currency translation adjustment	(5,955)	(5,657)
Treasury stock	(13,753)	(16,335)
Unamortized value of restricted stock issue	(11,106)	(8,633)
Total Liabilities & Shareholders' Equity	$ 1,502,881	$ 1,567,030

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ No par value; $100,000 stated value. Variable rate dividend.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.58	—
%Net Income to Sales	7.57	—
%Net Income to Equity	21.08	—
Sales to Inventories	3.72	3.79
Debt to Equity	0.62	0.63
Working Capital	$ 456,720,000	$ 360,792,000
Current Ratio	2.04	1.74
Shareholders' Equity	$ 573,020,000	$ 589,508,000

The Superior Electric Company

(Acquired by Dana Corporation in 1989.)

383 Middle Street
Bristol, Connecticut 06010
(203) 582-9561

Officers: Maurice P. Andrien, Jr., president & chief executive officer; Martin Kaplan, v.p.-research & development; Frank S. Doyle, sr. v.p. & chief financial officer; Phil L. Ferrari, treasurer & asst. secretary; Harold W. Lorenson, v.p. & pres.-Specialty Products Division; A. Keith Drewett, v.p.-marketing & sales; Donald S. McCoy, v.p.-research & engineering; Robert L. Rosensweig, secretary; Dennis M. Newman, asst. treasurer.

Directors: Maurice P. Andrien, Jr.*, Betty H. Jerome*, Donald A. Nelson*, Richard B. Nelson, James R. Dempsey, John B. Krauss, Stephen J. Raffay, Gerald L. Wilson, Alfred B. Nelson.

* Member of the Executive Committee

Areas of Work: Engaged in the design, engineering, manufacturing and marketing of a range of electronic products, voltage controls and motion controls. Voltage controls include variable transformers, automatic voltage regulators, uninterruptible power supply/conditioners, light controls, electrical connectors and frequency converters. Motion controls include synchronous motors, d-c stepping motors, and stepping control devices.

Subsidiaries:

Unitron Incorporated
10925 Miller Road
Dallas, Texas 75238
Supplies solid state frequency converters

Electro-Kinesis, Inc.
Bristol, Connecticut 06010
Design, production and marketing of encoders, rotors and other motor components made from Telsan, an advanced magnetic material.

The American Superior Electric Company, Limited
38 Torlake Crescent
Toronto, Ontario MBZ 1B3, Canada

Superior Electric Nederland B.V.
Koperwerf 33
2544 EM The Hague, The Netherlands

Superior Electric G.m.b.H.
Frankfurt, Germany

Superior Electric Engineering Services, B.V.
Harlow, Essex, England

Superior Electric International Sales Company
Bristol, Connecticut 06010

Superior Electric S.A.R.L.
Paris, France

Number of Employees:

1988	N.A.	1986	814
1987	667	1985	900

N.A. - Not Available.

Plant Footage:

1988	465,500 sq. ft.	1986	465,500
1987	465,500	1985	400,000

Sales & Earnings

	Net Sales	Net Income
1988	$ 58,659,000	$ (1,800,000)
1987	52,221,000	(638,000)
1986	52,077,000	(4,487,000)
1985	49,537,000	(496,000)
1984	56,096,000	2,872,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,881,833	$ —
1987	2,870,592	—
1986	2,864,263	—
1985	2,861,632	—
1984	2,852,938	1.01

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1988	1987
Voltage control	$ 26,898,000	$ 23,357,000
Motion control	31,761,000	28,864,000
Total	$ 58,659,000	$ 52,221,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	
1986	—	—	—
1985	—	10%	—
1984	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 18,665,000	$ 6.45
1987	20,473,000	7.12
1986	20,312,000	7.09
1985	24,054,000	8.40
1984	23,869,000	8.36

† Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 58,659,000	$ 52,221,000
Cost of sales	39,338,000	33,570,000
Expenses	15,340,000	13,383,000
Product develop.	3,406,000	4,645,000
Interest expense	2,097,000	1,729,000
Other expense (income)	45,000	(3,452,000)
Provision for restructuring	—	2,651,000
Loss. bef. taxes	$ (1,567,000)	$ (305,000)
Income taxes	233,000	333,000
Net Loss	$ (1,800,000)	$ (638,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,884,000 in 1988 and $1,968,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	$ 2,407,000	$ 1,724,000
Accts. receiv., net	14,343,000	11,257,000
*Inventories	18,695,000	17,721,000
Other current assets	1,125,000	1,232,000
Refundable inc. taxes	171,000	467,000
Current Assets	$ 36,741,000	$ 32,401,000
#Fixed assets	13,755,000	13,987,000
Other assets	2,021,000	2,069,000
Total Assets	$ 52,517,000	$ 48,457,000

Liabilities

	1988	1987
Notes payable	$ 6,997,000	$ 2,279,000
Long-term debt, curr.	1,168,000	1,147,000
Accts. payable	4,757,000	3,349,000
Accrued pension	1,254,000	1,133,000
Accrued payroll & compen.	920,000	591,000
Income taxes	166,000	345,000
Other taxes	611,000	626,000
Other accruals	1,116,000	1,305,000
Curr. Liabilities	$ 16,989,000	$ 10,775,000
Long-term debt	15,412,000	16,486,000
Other liabilities	1,451,000	723,000
+Common stock	2,896,000	2,874,000
Add. paid-in capital	17,916,000	17,748,000
Retained earnings (def.)	(2,924,000)	(1,124,000)
Eq. adjust. from for. curr. trans.	777,000	975,000
Total Liabilities & Shareholders' Equity	$ 52,517,000	$ 48,457,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1988	1987
Sales to Inventories	3.14	2.95
Debt to Equity	1.26	0.97
Working Capital	$ 19,752,000	$ 21,626,000
Current Ratio	2.16	3.01
Shareholders' Equity	$ 18,665,000	$ 20,473,000

Survival Technology, Inc.

8101 Glenbrook Road
Bethesda, Maryland 20814
(301) 656-5600
FAX: (301) 656-3032

Officers: James H. Miller, president & chief exec. officer; Jeffrey W. Church, v.p.-finance & chief financial officer; Napoleon Monroe, v.p. & secretary; William J. Milinchuk, v.p.-pharmaceutical division; Herb Reinhold, v.p. medical devices; Sharon Aichele Santa, v.p.-outpatient cardiac care; Doris Lockey Geier, asst. secretary; Maria Cristina D'Erasmo, asst. treasurer.

Directors: Robert E. Herzstein*, chairman; James H. Miller, Bruce M. Dresner, George S. Blanchard, Paul H. Way.

* Member of the Executive Committee

Areas of Work: Develops, manufactures and sells medical products and services intended to aid the treatment of emergency health problems.

Divisions:

Pharmaceutical Division
2555 Hermelin Drive
St. Louis, Missouri

Outpatient Care Division
Bethesda, Maryland

Emergency Care Products Division
Bethesda, Maryland

Transfer Agent(s):

Security Trust Co. N.A.

Stock Exchange(s): Over-the-counter

Ticker Symbol: SURV (NASDAQ)

Number of Employees:

1989	202	1986	337
1988	230	1985	N.A.
1987	279		

N.A. - Not available.

Plant Footage:

1989	129,900 sq. ft.	1986	88,000
1988	120,900	1985	N.A.
1987	120,900		

N.A. - Not available.

Sales & Earnings

	Net Sales	Net Income †
1989	$ 16,632,000	$ (1,444,700)
1988	26,732,000	(452,900)
1987	27,789,000	316,500
1986	30,781,000	(769,800)
1985	26,809,000	(908,400)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	2,817,000	$ —
1988	2,815,000	—
1987	2,794,000	0.11
1986	2,781,000	—
1985	2,652,000	—

(Loss)
† Including extraordinary gain of $137,000 ($0.05 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988	1987	1986
Military automatic injectors	50 %	61 %	70 %	69 %
Syringe prods. & services	27	21	13	13
Emergency care prods. & medical devices	13	10	10	8
Cardiac monitoring services	10	8	7	5
Operations sold	—	—	—	5
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 5,135,000	$ 1.82
1988	6,538,900	2.32
1987	6,265,100	2.24
1986	5,727,800	2.06
1985	6,243,700	2.35

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended July 31	1989	1988
Net sales	$ 16,632,100	$ 26,732,400
Cost of sales	10,964,600	17,198,600
Expenses	5,880,700	7,302,600
Depreciation & amortization	1,330,300	1,414,400
Royalty expense	18,600	513,700
Restruc. charges	—	277,500
Interest expense	660,500	973,800
Other income	(777,900)	(495,300)
Net Loss	$ (1,444,700)	$ (452,900)

Assets

As of July 31	1989	1988
Cash	$ 97,900	$ 90,700
Receivables, net	2,951,000	5,319,200
*Inventories	3,968,000	3,779,000
Prepaid expenses & other curr. assets	506,700	930,500
Current Assets	$ 7,523,600	$ 10,119,400
#Fixed assets	4,476,100	7,614,000
Intangibles	677,200	578,300
Other assets	17,600	255,800
Total Assets	$ 12,694,500	$ 18,567,500

Liabilities

	1989	1988
Notes payable	$ 2,240,500	$ 4,450,000
Long-term debt, curr.	39,000	1,929,800
Accts. payable	1,325,700	1,877,400
Accruals	1,631,800	570,200
Customer deposits	1,506,700	423,700
Curr. Liabilities	$ 6,743,700	$ 9,251,100
Long term debt	—	2,448,000
Other liabilities	815,800	329,500
+ Common stock	282,200	281,500
Add. paid-in capital	2,848,200	2,808,100
Retained earnings	2,004,600	3,449,300
Total Liabilities & Shareholders' Equity	$ 12,694,500	$ 18,567,500

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1989	1988
Sales to Inventories	4.19	7.07
Debt to Equity	0.44	1.35
Working Capital	$ 779,900	$ 868,300
Current Ratio	1.12	1.09
Shareholders' Equity	$ 5,135,000	$ 6,538,900

Tab Products Co.

1400 Page Mill Road
Palo Alto, California 94304
(415) 852-2400
FAX: (415) 852-2688

Tab Products Co.

Officers: Harry W. Le Claire, chairman & chief exec. officer; Michael A. Dering, sr. v.p. & chief operating officer; W. Brandt Brooksby, sr. v.p. finance and administration secretary; Kurt Lein, v.p.-international operations; John Petry, v.p.-manufacturing & distribution; David A. Price, v.p.-sales & national sales mgr.; Michael D. Skelton, v.p. & general mgr.-laser-optic filing systems; William Bradley, corp. controller; R.J. Sexton, treasurer & asst. sec..

Directors: Harry W. Le Claire*, chairman of the board; Francis S. Foote, Jr., C. Lester Hogan, Robert Augsburger, Charles D. Means, Donald E. Moffitt*.

* Member of the Executive Committee

Areas of Work: Develops, manufactures and markets optical disk filing systems, clustered workcenters, panel systems and computer furniture, accessory products that store or handle computer media, forms processing equipment and a line of terminal products.

Divisions:

Media Filing Division

Laser-Optic Filing Division

Furniture Systems Division

Subsidiaries:

Tab Products of Canada, Limited
550 McNicoll Avenue
Willowdale, Ontario M2H 2E1, Canada
(416) 494-0077

Tab Products (Europa) B.V.
Hellenkeuvelwey 8-10
1101 BN Amsterdam Zuid Oost, The Netherlands

Tab Sales Corp. International
St. Thomas, Virgin Islands

Transfer Agent(s):

Bank of America
Stock Transfer Dept. #9511
P.O. 37002
San Francisco, California 94137

Stock Exchange(s): American

Ticker Symbol: TBP

Number of Employees:

1989	951	1986	959
1988	988	1985	1,033
1987	951		

Plant Footage:

1989	608,000 sq. ft.	1986	523,000
1988	523,000	1985	417,000
1987	523,000		

Sales & Earnings

	Revenues	Net Income
1989	$ 130,143,000	$ 4,178,000
1988	131,959,000	7,303,000
1987	123,681,000	6,790,000
1986	121,429,000	5,685,000
1985	117,013,000	6,326,000

	No. of Com. Shares +	Earn per Share #
1989	6,551,294	$ 0.64
1988	6,510,242	1.09
1987	6,681,499	1.00
1986	6,639,163	0.85
1985	6,634,425	0.95

+ Adjusted to reflect stock split.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	
1987	0.20	—	—
1986	0.15	—	3-for-2
1985	0.13	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 59,791,000	$ 9.13
1988	56,752,000	8.72
1987	53,180,000	7.96
1986	47,273,000	7.12
1985	42,563,000	6.42

‡ Adjusted to reflect stock split.

Income Account *

Year ended May 31	1989	1988
Net sales & oper. rev.	$ 130,143,000	$ 131,959,000
Cost of sales	74,343,000	69,517,000
Expenses	49,378,000	50,809,000
Interest income	(216,000)	(545,000)
Income before taxes	$ 6,638,000	$ 12,178,000
Income taxes	2,460,000	4,875,000
Net Income	$ 4,178,000	$ 7,303,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,889,000 in 1989 and $2,551,000 in 1988.

Assets

As of May 31	1989	1988
Cash	$ 5,558,000	$ 7,202,000
Accts. receiv., net	26,945,000	26,957,000
*Inventories	16,142,000	15,581,000
Prepaid expenses	2,545,000	2,198,000
Current Assets	$ 51,190,000	$ 51,938,000
#Fixed assets	19,973,000	17,554,000
Other assets	2,831,000	2,409,000
Total Assets	$ 73,994,000	$ 71,901,000

Liabilities

Long-term debt. curr.	$ 115,000	$ 115,000
Accts. payable	4,664,000	5,751,000
Commissions	2,476,000	3,012,000
Other accruals	5,080,000	4,938,000
Income taxes	322,000	210,000
Curr. Liabilities	$ 12,657,000	$ 14,026,000
Long-term debt	580,000	695,000
Deferred taxes	966,000	428,000
+Common stock	69,000	68,000
Add. paid-in capital	8,213,000	7,198,000
Retained earnings	56,144,000	53,230,000
Treasury stock	(4,425,000)	(3,766,000)
Foreign curr. translation	(210,000)	22,000
Total Liabilities & Shareholders' Equity	$ 73,994,000	$ 71,901,000

* Domestic inventories purchased for resale are valued at LIFO, remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. taxes to Sales	5.34	9.73
%Net Income to Sales	3.36	5.83
%Net Income to Equity	6.99	12.87
Debt to Equity	0.01	0.01
Working Capital	$ 38,533,000	$ 37,912,000
Current Ratio	4.04	3.70
Shareholders' Equity	$ 59,791,000	$ 56,752,000

Talley Industries, Inc.

2800 North 44th Street
Phoenix, Arizona 85008
(602) 957-7711
FAX: (602) 957-7711

Officers: William H. Mallender, chief executive officer & chairman; Jack C. Crim, president & chief operating officer; Donald L. Corey, sr. v.p.; David D. Hunter, exec. v.p.; Daniel R. Mullen, treasurer; Edward T. Ryan Jr., vice president-operations; Arthur M. Squicciarini, vice president-operations; William E. Bonnell, dir.-human resources; Rodney H. McKinley, director-internal audit; Mark S. Dickerson, general counsel & secretary; Kenneth May, controller.

Directors: William H. Mallender*, chairman; Jack C. Crim, William B. Bolton, Hubert T. Mandeville, Alex Stamatakis, David Victor, Oliver Grace, Jr., Neil W. Benson, Townsend W. Hoopes, John D. MacNaughton, Jr., Emiel T. Nielsen, Jr., Thomas F. Reddy, Jr.*, John C. Robinson*, Fred G. Schuller, John W. Stodder.

* Member of the Executive Committee

Areas of Work: In the area of Government Products and Services, the Company designs, manufactures and markets solid propellant actuated devices, high-reliability electronic components, aircraft ejection seats and air crew escape systems. Industrial Products include a broad spectrum of products and services, including inflators and modules for automotive passive restraint systems, specialty steel products, high-voltage ceramic insulators, automated welding equipment and services, and electronic assembly for original equipment manufacturers. Specialty Products include ornamental metal buttons; molded plastic components for commercial use; aerosol, insecticide and air freshener products, and specialty advertising items. Services include electronic products assembly. The Company also engages in real estate operations.

Divisions, Subsidiaries & Affiliates:

Talley Defense Systems Inc.
4551 East McKellips Road
Mesa, Arizona 85205
(602) 832-3830
Gas generators, initiators, survival equipment and systems.

Electrodynamics, Inc.
1200 Hicks Road
Rolling Meadow, Illinois 60008
(312) 259-0740
High-reliability electronic components and systems.

Universal Propulsion Company, Inc.
Phoenix, Arizona
Gas generators, initiators, survival equipment and systems.

Rowe Industries, Inc.
Toledo, Ohio
Electronic interconnect systems.

John J. McMullen Associates, Inc.
New York, New York
A leading naval architecture and marine engineering firm.

Porcelain Products, Inc.
Carey, Ohio
High-voltage ceramic insulators.

Dimetrics, Inc.
Diamond Springs, California
Automated welding systems and welding services.

Taltronics Corporation
Davidson, North Carolina
Manufacture and sale of timers and electronic power supplies.

Talley Metals Technology, Inc.
McBee, South Carolina
Produces stainless steel bars and rods.

Amcan Speciality Steels, Inc.
East Brunswick, New Jersey
Speciality steel distribution.

Waterbury Companies, Inc.
Waterbury, Connecticut
Metal buttons, plastic products, automated aerosol dispensers.

Barlow Specialty Advertising, Inc.
Los Angeles, California
Specialty advertising products.

Talley Realty Corp.
Phoenix, Arizona
Land development and marketing.

East-West Federal Bank
A federally chartered savings bank.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
Post Office Box 712399
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: TAL

Number of Employees:

1989	4,000	1986	4,000
1988	N.A.	1985	4,300
1987	3,150		

N.A.-Not Available

Plant Footage:

1989	2,421,000 sq. ft.	1986	2,645,482
1988	N.A.	1985	2,291,000
1987	2,087,000		

N.A.-Not Available

Sales & Earnings

	Revenues +	Net Income
1989	$ 372,365,000	$ 25,922,000
1988	359,852,000	10,880,000
1987	263,993,000	(21,180,000)
1986	203,078,000	13,850,000
1985	170,194,000	12,014,000

	No. of Com. Shares †	Earn. per Share †
1989	12,491,000	$ 2.08
1988	12,499,000	0.87
1987	9,273,000	—
1986	10,000,000	1.38
1985	9,951,000	1.21

(Loss)
+ Of continuing operations only.
† Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Gov't. prods. & svcs.	$ 159,262	$ 147,890
Industrial prods.	156,519	152,924
Specialty prods.	55,997	49,249
Realty	587	9,789
Total	$ 372,365	$ 359,852

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.45	—	—
1988	0.30	—	
1987	0.285	—	5-for-4
1986	0.22	—	—
1985	0.16	—	—

Common Stock Equity

	Total Equity *	Equity Per Share ‡
1989	$ 103,527,000	$ 8.29
1988	92,100,000	7.37
1987	84,766,000	9.14
1986	105,935,000	10.59
1985	73,398,000	7.38

* After allowing for preferred stock at total involuntary liquidation preference value.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 309,401	$ 270,560
Services	62,964	51,305
Total revenues	$ 372,365	$ 359,852
Cost of revenues	276,905	267,063
Expenses	64,036	62,193
Gain on sale of oper.	(59,997)	—
Reserve on realty assets	36,600	—
Other income	(9,900)	(11,116)
Interest expense	34,195	28,814
Interest capitalized	(9,144)	(5,683)
Inc. bef. taxes-Savings Bank	(5,629)	—
Income before taxes	$ 45,299	$ 18,581
Income taxes	19,377	7,401
Inc.-cont. oper.	$ 25,922	$ 11,180
Loss-discont. oper.	—	(300,000)
Net Income	$ 25,922	$ 10,880

* Included in Costs and Expenses, Depreciation and Amortization: $12,422,000 in 1989 and $11,155,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 4,035	$ 4,473
Marketable securities	1,951	2,001
Accts. receiv., net	107,277	112,212
*Inventories	198,027	185,273
Deferred inc. taxes	19,619	4,280
Prepaid expenses	4,640	4,824
Net assets-discont. oper.	—	2,055
Current Assets	$ 335,549	$ 315,118
Long-term receiv.	69,248	72,616
#Fixed assets	70,088	88,956
Intangibles	51,914	51,149
Defer. charges & other assets	4,680	5,461
Assets of Savings Bank	560,965	—
Total Assets	$ 1,092,444	$ 533,300

Liabilities
(000's)

Notes payable	$ 23,399	$ 19,458
Long-term debt, curr.	27,051	11,055
Realty debt	33,358	19,679
Accts. payable	26,417	22,857
Accruals	41,071	26,704
Income taxes	5,708	594
Curr. Liabilities	$ 157,004	$ 100,347
Long-term debt	230,272	267,191
Deferred inc. taxes	20,078	16,165
Other liabilities	8,729	7,664
Liabilities of Savings Bank	523,309	—
+Preferred stock:		
Series A	75	78
Series B	1,565	1,644
Series D	109,000	100,000
++Common stock	8,760	9,286
Add. paid-in capital	79,272	83,175
For. curr. trans. adj.	1,750	2,026
Retained earnings	61,521	45,624
Total Liabilities & Shareholders' Equity	$ 1,092,444	$ 533,300

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value, cumulative convertible. Series A, $1.10 dividend; Series B, $1.00 dividend; Series D, $4.50 dividend.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.64	—
%Net Income to Sales	8.38	—
%Net Income to Equity	16.94	7.67
Sales to Inventories	1.56	1.46
Debt to Equity	2.05	2.24
Working Capital	$ 178,545,000	$ 214,771,000
Current Ratio	2.14	3.14
Shareholders' Equity	$ 153,052,000	$ 141,933,000

Tandem Computers Incorporated

19333 Vallco Parkway
Cupertino, California 95014-2599
(408) 725-6000
FAX: (408) 725-6635

Officers: Thomas J. Perkins, chairman of the board; James G. Treybig, president & chief executive officer; Robert C. Marshall, sr. v.p. & chief operating officer; Lawrence A. Laurich, v.p.-systems development & manufacturing; Thomas J. Klitgaard, sr. v.p., gen. counsel & secretary; Jack W. Chapman, v.p.-sales; Gerd Stoecker, v.p. & treasurer; Gerald L. Peterson, sr. v.p. & gen. mgr-Tandem Sales & Marketing Group; David J. Rynne, sr. v.p. & chief financial officer; Stephen C. Schmidt, sr. v.p. & gen. mgr.-Tandem Systems Group; Donald E. Fowler, sr. v.p. & gen. mgr.-Tandem Companies Group; Ralph K. Ungermann, sr. v.p.-Ungermann-Bass Group; Martin M. Atalla, v.p.; Gerald D. Held, v.p.-strategy & corp. development; Robert G. Gargus, corp. controller.

Directors: Thomas J. Perkins, chairman; Morton Collins, Thomas J. Davis, Jr., Franklin P. Johnson, Jr., Robert C. Marshall, Robert G. Stone, Jr., James G. Treybig, Thomas I. Unterberg, Andrew Knight, Walter B. Wriston, Jack F. Bennett, Ralph K. Ungermann, George P. Shultz.

Areas of Work: Designs, develops, manufactures, markets and services multiple processor computer systems solely dedicated to on-line transaction processing and software. The Tandem NonStop System eliminates the risk of system failures and protects the customer's data base from damage caused by electronic hardware malfunctions.

Operating Units:

Eastern Division
One Penn Plaza
New York, New York 10119

Central Division
1827 Walden Office Square
Schaumberg, Illinois 60195

Western International Division
245 Santa Ana Court
Sunnyvale, California 94086

Tandem Computers Canada Limited
Canada

Tandem Computers Limited
England

Tandem NonStop Pty., Ltd.
Australia

Tandem Computers S.A.
France

Tandem Computers, S.A./N.V.
Belgium

Tandem Computers GmbH
West Germany

Tandem Computers A.B.
Sweden

Tandem Computers A/S
Denmark

Tandem NonStop Pty. Ltd.
New Zealand

Tandem Computers A.S.
Norway

Tandem Computers Italia S.p.A.
Italy

Tandem Computers Japan Limited
Japan

Tandem Computers B.V.
The Netherlands

Tandem Computers AG
Switzerland

Tandem Computers (Hong Kong) Limited
Hong Kong

Tandem Computers International, Inc.
Singapore

Tandem Computer Ges. m.b.H.
Austria

Tandem Computers Iberica S.A.
Spain

Atalla Corporation
2304 Zanker Road
San Jose, California 95134
Provides secure systems solutions in the areas of network interchange, electronic payment, and computer security.

Tandem Telecommunications Systems, Inc.
(formerly Integrated Technology, Inc.)
850 East Central Parkway
Plano, Texas 75074
Develops network services software for the telecommunications industry.

Ungermann-Bass, Inc.
3900 Freedom Circle
Santa Clara, California 95054
Provides products for open, enterprise-wide networks.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TDM

Number of Employees:

1989	9,548	1986	5,719
1988	8,624	1985	5,494
1987	7,007		

Plant Footage:

1989	2,178,000 sq. ft.	1986	1,428,400
1988	1,642,000	1985	1,925,000
1987	1,555,000		

Sales & Earnings

	Revenues	Net Income
1989	$ 1,632,522,000	$ 118,316,000
1988	1,314,721,000	94,485,000
1987	1,047,532,000	105,229,000
1986	778,014,000	64,258,000
1985	635,983,000	33,582,000

	No. of Com. Shares #	Earn. per Share #
1989	101,386,000	$ 1.17
1988	98,683,000	0.96
1987	98,424,000	1.07
1986	89,096,000	0.72
1985	N A.	0.40

N.A. - Not Available.
# Based on the weighted average number of common share and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share‡
1989	$ 989,118,000	$ 9.76
1988	856,861,000	8.68
1987	723,855,000	7.35
1986	537,978,000	6.04
1985	423,214,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*
(000's)

Year ended Sept. 30	1989	1988
Revenues	$ 1,354,852	$ 1,079,563
Service & other revenue	277,670	235,158
Total revenues	$ 1,632,522	$ 1,314,721
Cost of revenues	606,408	487,791
Expenses	658,787	679,669
Interest income	(11,357)	(15,560)
Interest expense	9,359	8,083
Settle. of ligitation	—	9,375
Income before taxes	$ 186,325	$ 145,363
Income taxes	68,009	50,878
Net Income	$ 118,316	$ 94,485

* Included in Costs and Expenses, Depreciation and Amortization: $112,683,000 in 1989 and $85,971,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash invest.	$ 197,174	$ 124,599
Accts. receiv., net	419,440	355,635
*Inventories	144,176	129,426
Prepaid inc. taxes	77,759	4,288
Prepaid expenses	24,602	29,815
Current Assets	$ 863,151	$ 643,763
#Fixed assets	447,382	418,521
Cost in exc. of assets acq.	203,438	205,128
Other assets	104,817	50,965
Total Assets	$ 1,618,788	$ 1,318,377

Liabilities
(000's)

Notes payable	$ 19,857	$ 80,971
Long-term debt, curr.	38,726	9,322
Accts. payable	106,263	91,935
Accrued payroll	66,864	52,586
Accrued commissions	22,199	14,757
Deferred income	38,832	29,479
Income taxes	53,198	25,412
Other accruals	95,466	60,836
Curr. Liabilities	$ 441,405	$ 365,298
Long-term debt	106,643	58,197
Deferred inc. taxes	81,622	38,021
+Common stock	2,552	2,403
Add. paid-in capital	500,155	403,241
Retained earnings	564,168	445,852
Translation adjustments	(820)	5,365
Treasury stock	(26,937)	—
Deferred compensation	(50,000)	—
Total Liabilities & Shareholders' Equity	$ 1,618,788	$ 1,318,377

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

%Income bef. Taxes to Revenues	11.41	11.06
%Net Income to Revenues	7.25	7.19
%Net Income to Equity	11.96	11.03
Debt to Equity	0.17	0.17
Working Capital	$ 421,746,000	$ 278,465,000
Current Ratio	1.96	1.76
Shareholders' Equity	$ 989,118,000	$ 856,861,000

Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

Officers: John V. Roach, chairman of the board, president & chief executive officer; Herschel C. Winn, sr. v.p. & secretary; John W. Burnam, v.p.; Ronald L. Parrish, v.p.; Richard L. Ramsey, v.p.; Dwain Hughes, asst. treasurer; Jana R. Freundlich, asst. secretary; Jim B. Sheets, asst. secretary.

Directors: John V. Roach*, chairman; William C. Conner, William T. Smith*, Alfred J. Stein, Jesse L. Upchurch*, John A. Wilson*, Robert R. Lowdon*, Donald L. Bryant, Lewis F. Kornfeld, Jr.*, Thomas G. Plaskett, William E. Tucker*, William G. Morton, Jr., Caroline R. Hunt, James I. Cash, Jr..

* Member of the Executive Committee

Areas of Work: Manufactures minicomputers, microcomputers and various other consumer electronics products in 27 factories. The Lika subsidiary manufactures printed circuit boards. Also operates over 7,000 company-owned and dealer/franchise Radio Shack stores and 292 Tandy Brand Name Retail stores, which retail consumer electronics products throughout the U.S.

Divisions and Subsidiaries:

Radio Shack Division

Tandy Electronics, Inc.

A & A International Corp.

Tandy Credit Corporation

Lika Corporation
Lika Utah
Lika Southwest

Manufactures printed circuit boards.

Memtek Products
Markets a line of Memorex audio and video products.

O'Sullivan Industries
Manufactures furniture for electronic equipment.

Scott-McDuff Corporation
Chain of 24 audio-video appliance stores.

VideoConcepts
Name-brand electronics retailers located in malls in 29 states.

Tandy International Electronics, Inc.

Tandy Mkt. (Canada) Ltd.

GRiD Systems Corporation
Fremont, California
Designs, develops, manufactures and markets field automation equipment that use laptop computers.

Acquisitions:

Victor Microcomputer
Victor Micronic

Markets desktop and laptop microcomputers.

Transfer Agent(s):

First National Bank of Boston (Common Stock)
Boston, Massachusetts

Team Bank/Fort Worth N.A.
(Common Stock & Debentures)
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAN

Number of Employees:

1989	38,000	1986	36,000
1988	37,000	1985	35,000
1987	39,000		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 4,180,703	$ 323,504
1988	3,793,767	316,354
1987	3,452,178	242,329
1986	3,035,969	197,659
1985	2,595,695	189,060

	No. of Com. Shares ‡	Earn. per Share ‡
1989	88,849,000	$ 3.64
1988	89,466,000	3.54
1987	89,899,000	2.70
1986	89,203,000	2.22
1985	89,490,000	2.11

+ Includes operating revenues; of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.600	—	—
1988	0.575	—	
1987	0.375	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 1,782,838	$ 20.07
1988	1,603,112	17.92
1987	1,380,039	15.35
1986	1,306,458	14.65
1985	1,063,454	11.88

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended June 30	1989	1988
Net sales & oper. rev.	$ 4,180,703	$ 3,793,767
Cost of sales	2,148,464	1,870,429
Expenses	1,441,628	1,341,090
Depreciation & amortization	75,429	68,156
Interest income	(12,217)	(588)
Income before taxes	$ 527,399	$ 514,680
Income taxes	203,895	198,326
Net Income	$ 323,504	$ 316,354

Assets
(000's)

As of June 30	1989	1988
Cash & short-term invest.	$ 58,398	$ 188,224
Accts. & notes receiv., net	553,360	462,374
• Inventories	1,285,373	1,287,854
Other curr. assets	45,186	47,622
Current Assets	$ 1,942,317	$ 1,986,074
# Fixed assets	420,744	367,264
Other assets	211,249	176,754
Total Assets	$ 2,574,310	$ 2,530,092

Liabilities
(000's)

Notes payable	$ 192,096	$ 306,475
Accts. payable	159,767	116,818
Accruals	208,608	205,191
Income taxes payable	8,535	20,778
Curr. Liabilities	$ 569,006	$ 649,262
Notes payable	113,544	153,641
Subord. deben.	27,580	26,957
Deferred inc. taxes	60,619	68,977
Other liabilities	20,723	28,143
+ Common stock	95,645	95,645
Add. paid-in capital	130,792	114,999
Retained earnings	1,879,721	1,609,346
For. curr. trans.	5,356	8,105
Treasury stock	(328,676)	(224,983)
Total Liabilities & Shareholders' Equity	$ 2,574,310	$ 2,530,092

• At lower of cost (primarily average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	12.62	13.57
% Net Income to Sales	7.74	8.34
% Net Income to Equity	18.15	19.73
Debt to Equity	0.17	0.29
Working Capital	$ 1,373,311,000	$ 1,336,812,000
Current Ratio	3.41	3.06
Shareholders' Equity	$ 1,782,838,000	$ 1,603,112,000

TDK Corporation

1-13-1, Nihonbashi
Chuo-ku, Tokyo 103, Japan
(03) 278-5111

Officers: Yutaka Otoshi, chairman; Hiroshi Sato, president; Sho Masujima, exeuctive vice president; Makoto Komoda, executive managing director; Goro Suzuki, executive managing director; Takao Masaki, executive director; Sadao Iwaya, executive director; Matsuo Takeuchi, executive director; Motoyuki Kurihara, executive director; Fukujiro Sono, executive director & adviser; Katsuro Kamiya, executive director & adviser; Shozaburo Yamamoto, executive director; Satoru Matsuura, executive director; Ryozo Kato, executive director; Tsuneo Kamata, executive director; Toyohiko Maruta, auditor; Yasuo Imaoka, auditor; Shunsuke Wakuri, auditor.

Areas of Work: The Company is the world's leading manufacturer of magnetic recording tapes and ferrite products and a major producer of coil, ceramic, and other components. These components include ferrite cores and magnets, rare-earth cobalt magnets, magnetic heads, inductors/coils, transformers, switching power supplies, DC-DC converters, noise filters, composite components, high-voltage units, thermal reed switches, microwave components, ceramic capacitors (including chips), ceramic filters and resonators, thermistors, buzzers and speakers, chip composite components, hybrid integrated circuits, varistors, thin-film heads, and MR sensors.

Subsidiaries (Japan):

Iida TDK Co., Ltd.
Production of TV and radio coil components.

Tsuruoka TDK Co., Ltd.
Production of coil components.

Yuza TDK Co., Ltd.
Production of ceramic components.

Kisagata TDK Co., Ltd.
Production of ceramic components.

Yashima TDK Co., Ltd.
Production of rotary transformers and noise filters.

Ujo TDK Co., Ltd.
Production of ceramic components.

TDK Service Co., Ltd.
Administration of welfare facilities for TDK and its employees.

TDK Design Core Co., Ltd.
Advertising services mainly for TDK.

TDK-MCC Co., Ltd.
Production of multilayer ceramic capacitors.

Iwaki Kogyo Co., Ltd.
Plating of TDK metallic parts.

Yuri TDK Co., Ltd.
Production of coil components.

Konoura TDK Co., Ltd.
Production of coil components.

TDK Core Co., Ltd.
Production and sale of educational recording media.

Ouchi TDK Co., Ltd.
Production of coil components.

TDK Distributor Co., Ltd.
Warehousing of TDK products.

Sakata TDK Co., Ltd.
Production of coil components.

Honjo TDK Co., Ltd.
Production of alumina substrates and hydrid ICs.

Kofu TDK Co., Ltd.
Assembly of magnetic floppy heads.

Yuzawa TDK Co., Ltd.
Assembly of noise-suppression connectors and antenna terminal capacitor units.

Toso TDK Co., Ltd.
Assembly of microwave components.

Subsidiaries (U.S.)

TDK U.S.A. Corporation
12 Harbor Park Drive
Port Washington, New York 11050
(516) 625-0100
A holding company.

TDK Corporation of America
1600 Feehanville Drive
Mount Prospect, Illinois 60056
(312) 803-6100
Sales of TDK electronic components.

TDK Electronics Corporation
12 Harbor Park Drive
Port Washington, New York 11050
(516) 625-0100
Sale of TDK recording media.

TDK Magnetic Tape Corporation
330 Highway 74 South
Peachtree City, Georgia 30269-2047
(404) 487-5200
Production of recording media.

TDK Components U.S.A., Inc.
One TDK Boulevard, Highway 74 South
Peachtree City, Georgia 30269
(404) 631-0410
Production of multilayer chip ceramic capacitors.

Saki Magnetics, Inc.
26600 Agoura Road
Calabasas, California 91302
(818) 880-4054
Production and sale of magnetic heads.

TDK Ferrites Corporation
5900 North Harrison Street
Shawnee, Oklahoma 74801
(405) 275-2100
Production of large ferrite cores.

TDK Texas Corporation
Sale of TDK electronic components.

Display Components, Inc.
Production and sale of deflection yoke coils for high-resolution computer monitors.

Allen-Bradley/TDK Magnetics (50%-owned)
5900 North Harrison Street
Shawnee, Oklahoma 74801
(405) 275-2100
Production of ferrite magnets.

Transfer Agent(s):

The Chuo Trust & Banking Co., Ltd.
1-7-1, Kyobashi
Chuo-ku, Toyko 104, Japan

Stock Exchange(s): Tokyo, Osaka, Paris, London, New York (as ADR), Amsterdam (as CDR), Brussels and Antwerp (as DR).

Ticker Symbol: TDK (New York)

Number of Employees:

1988	19,646	1985	14,661
1987	17,567	1984	14,599
1986	16,182		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	¥ 418,392,000	¥ 22,268,000
1987	398,258,000	18,066,000
1986	385,890,000	15,408,000
1985	426,966,000	30,131,000
1984	416,186,000	32,251,000

	No. of Com. Shares	Earn. per Share ‡
1988	120,462,231	¥ 177.18
1987	120,462,231	150.05
1986	'20,358,740	128.02
1985	120,360,000	250.34
1984	120,378,000	267.96

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	¥40.00	—	—
1987	40.00	—	
1986	40.00	—	—
1985	38.18	—	—
1984	36.36	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1988	¥ 280,824,000	¥2,331.22
1987	264,915,000	2,199.15
1986	253,932,000	2,109.79
1985	242,533,000	2,015.06
1984	220,437,000	1,831.21

Income Account *
(millions)

Year ended Nov. 30	1988	1987
Net sales	¥ 418,392	¥ 398,258
Cost of sales	279,100	269,247
Expenses	85,384	82,417
Interest expense	5,117	4,163
Interest income	(4,094)	(3,535)
Loss on dispos.	1,653	1,508
Other expense	370	2,625
Income before taxes	¥ 50.862	¥ 41,833
Income taxes	28,416	23,592
Minority interest	178	175
Net Income	¥ 22,268	¥ 18,066

* Included in Costs and Expenses. Depreciation: ¥ 29,039,000,000 in 1988 and ¥ 27,682,000,000 in 1987.

Assets
(millions)

As of Nov. 30	1988	1987
Cash & cash equiv.	¥ 99,260	¥ 99,736
Marketable securities	21,640	22,503
Accts. receiv., net	103,744	87,482
*Inventories	81,886	74,408
Prepaid expenses	14,605	17,033
Current Assets	¥ 321,135	¥ 301,162
Investments & advances	23,360	13,928
#Fixed assets	146,410	145,052
Other assets	6,140	5,269
Total Assets	¥ 497,045	¥ 465,411

Liabilities
(millions)

Short-term bank loans	¥ 44,917	¥ 26,477
Long-term debt, curr.	831	6,797
Accts. payable	48,030	48,457
Accruals	18,219	17,419
Income taxes	16,009	15,885
Other current liabilities	9,365	7,224
Curr. Liabilities	¥ 137,371	¥ 122,259
Long-term debt	59,901	60,252
Retirement benefits	18,118	17,158
Minority interest	831	827
+Common stock	6,208	6,208
Add. paid-in capital	36,624	36,624
Legal reserve	2,913	2.723
Retained earnings	246,838	229,578
For. curr. trans.	(11,759)	(10,218)
Total Liabilities & Shareholders' Equity	¥ 497,045	¥ 465,411

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.16	10.50
%Net Income to Sales	5.32	4.54
%Net Income to Equity	7.93	6.82
Sales to Inventories	5.11	5.35
Debt to Equity	0.38	0.35
Working Capital (000's)	¥ 183,764,000	¥ 178,903,000
Current Ratio	2.34	2.46
Shareholders' Equity (000's)	¥ 280,824,000	¥ 264,915,000

Technical Communications Corporation

100 Domino Drive
Concord, Massachusetts 01742
(617) 862-6035
FAX: (508) 371-1280

Officers: Arnold M. McCalmont, chairman & president; James J. Connolly, exec. v.p. & chief oper. officer; Herbert A. Lerner, treasurer; Edward E. Hicks, secretary & clerk; John I. Gill, v.p.-manufacturing.

Directors: Arnold M. McCalmont, chairman; Herbert A. Lerner, Dean. L. Kellogg, Blanton C. Wiggin, Dana W. Atchley, Jr., Phillip St. Germain, Lawrence A. Kletter.

Areas of Work: Designs, manufactures, and markets high-performance secure communications systems and cryptographic devices used to protect sensitive communications sent over voice, data, and facsimile networks.

Subsidiaries:

TCC Foreign Sales Corp. (FSC)
TCC Investment Corp.
TCC Investment Corp.
TCC Investment Corp.
TCC Investment Corp.

TCC Investment Corp.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TCCO (NASDAQ)

Number of Employees:

1989	50	1986	35
1988	40	1985	60
1987	N.A.		

Plant Footage:

1989	22,800 sq. ft.	1986	22,800
1988	22,800	1985	22,800
1987	22,800		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income †
1989	$ 13,416,374	$ 1,974,376
1988	10,389,853	1,514,096
1987	3,280,560	103,476
1986	2,572,129	(1,189,946)
1985	5,270,930	336,725

	No. of Com. Shares	Earn. per Share † ‡
1989	1,223,376	$ 1.62
1988	1,220,776	1.20
1987	1,211,776	—
1986	1,204,576	—
1985	1,197,876	0.29

(Loss)
† Including extraordinary gains of$227,700 ($0.19 per share) in 1988 and $32,000 ($0.03 per share) in 1987.
‡ Based on the weighted average number of shares outstanding during each year.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 5,914,473	$ 4.83
1988	3,934,159	3.22
1987	2,407,688	1.99
1986	2,290,262	1.90
1985	3,470.996	2.90

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 13,416,374	$ 10,389,853
Cost of sales	4,899,150	4,723,041
Expenses	5,774,757	3,540,087
Oper. income	$ 2,742,467	$ 2,126,725
Interest income	(471,557)	(68,498)
Interest expense	5,829	6,898
Other expense	1,727	1,589
Income bef. taxes	$ 3,206,468	$ 2,186,736
Income taxes	1,232,092	900.340
Net Income	$ 1,974,376	$ 1,286,396
Extraord. gain	—	227,700
Net Income & extraord. gain	$ 1,974,376	$ 1,514,096

* Included in Costs and Expenses, Depreciation and Amortization: $101,156 in 1989 and $104,012 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 4,955,951	$ 2,124,036
Short-term invest.	1,941,100	—
Accts. receiv., net	2,029,343	3,632,898
*Inventories	761,561	1,661,681
Prepaid income taxes	763,974	—
Other curr. assets	85,896	34,702
Current Assets	$ 10,537,825	$ 7,453,317
#Fixed assets	321,043	304,740
Other assets	114,475	140,681
Total Assets	$ 10,973,343	$ 7,898,738

Liabilities

Accts. payable	$ 420,937	$ 574,473
Accrued payroll	1,748,498	1,205,839
Other accruals	1,358,811	1,576,484
Income taxes payable	1,530,624	357,083
Deferred inc. taxes	—	250,700
Curr. Liabilities	$ 5,058,870	$ 3,964,579
+Common stock	122,338	122,078
Add. paid-in capital	1,250,007	1,244,329
Retained earnings	4,542,128	2,567,752
Total Liabilities & Shareholders' Equity	$ 10,973,343	$ 7,898,738

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	23.90	21.05
%Net Income to Sales	14.72	12.38
%Net Income to Equity	33.96	32.70
Sales to Inventories	17.62	6.25
Working Capital	$ 5,478,955	$ 3,488,738
Current Ratio	2.08	1.88
Shareholders' Equity	$ 5,914,473	$ 3,934,159

The Technical Materiel Corporation

700 Fenimore Road
Mamaroneck, New York 10543-2301
(914) 698-4800
FAX: (914) 698-4805

Officers: Ray H. de Pasquale, chairman of the board & treasurer; Neil H. de Pasquale, president; Frank Budetti, v.p.; Ruth S. Taylor, secretary.

Directors: R.H. de Pasquale, chairman; F. Budetti, G.W. Jennings, Neil H. de Pasquale, Sandra E. MacDonald.

Areas of Work: Engaged in the engineering and manufacture of single sideband radio communications equipment, including field installation, servicing and maintenance.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989 15   1988 15

Plant Footage:

1989 . . . . 33,000 sq. ft. 1988 33,000

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 686,237	$ (240,561)
1988	833,521	(170,415)
1987	1,165,067	67,877
1986	1,170,414	(826,751)
1985	2,271,919	10,719

	No. of Com Shares	Earn. per Share ‡ †
1989	2,847,704	$ —
1988	2,847,704	—
1987	2,847,704	0.02
1986	2,847,704	—
1985	2,847,704	—

(Loss)
‡ Including extraordinary gains of $13,613 ($0.0048 per share) in 1987, $1,123 ($0.0004 per share) in 1985 and extraordinary loss of $518,225 in 1986.
† Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 800,992	$ 0.28
1988	1,041,553	0.37
1987	1,211,968	0.43
1986	1,144,091	0.40
1985	1,970,842	0.69

Income Account*

Year ended Sept. 30	1989	1988
Net sales	$ 686,237	$ 833,521
Cost of sales	488,937	502,761
Expenses	243,834	336,905
Interest expense	196,769	157,072
Other income	(5,408)	(683)
Loss before taxes	$ (237,895)	$ (162,534)
Income taxes	2,666	7,881
Net Loss	$ (240,561)	$ (170,415)

* Included in Costs and Expenses, Depreciation: $19,883 in 1989 and $22,206 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 3,606	$ 25,648
Accts. receiv.,net	305,923	177,234
*Inventories	2,513,721	2,565,786
Prepaid expenses	19,091	18,999
Current Assets	$ 2,842,341	$ 2,787,667
#Fixed assets	148,261	162,106
Total Assets	$ 2,990,602	$ 2,949,773

Liabilities

Mortgage notes payable	$ 150,000	$ 100,000
Demand notes payable	1,290,000	1,140,000
Accts.payable	174,395	46,919
Accrued taxes & expenses	215	(3,699)
Curr. Liabilities	$ 1,614,610	$ 1,283,220
Long-term debt	575,000	625,000
+Common stock	355,963	355,963
Add. paid-in capital	6,924,042	6,924,042
Accumulated deficit	(6,479,013)	(6,238,452)
Total Liabilities & Shareholders' Equity	$ 2,990,602	$ 2,949,773

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

Sales to Inventories	0.27	0.32
Debt to Equity	2.52	1.79
Working Capital	$ 1,227,731	$ 1,504,447
Current Ratio	1.76	2.17
Shareholders' Equity	$ 800,992	$ 1,041,553

Technitrol, Inc.

8200 Flourtown Avenue, Suite 10
Wyndmoor, Pennsylvania 19118
(215) 233-9500
FAX: (215) 233-2647

Officers: Roy E. Hock, chairman & president; James J. Rafferty, Jr., v.p.; J. Barton Harrison, secretary; Robert J. Citrino, treasurer; Thomas J. Flakoll, v.p.; Albert Thorp, controller.

Directors: Roy E. Hock, chairman; Edward M. Mazze, Gordon Palmer, Jr., J. Barton Harrison, Edwin S. Eichert, III, James M. Papada, III, James J. Rafferty, Jr., Thomas J. Flakoll, Graham Humes.

Areas of Work: Manufactures power transformers, pulse transformers, delay lines, electronic scales, electronic force measuring instruments, electronic components, metal laminate material and stampings.

Divisions:

Components & Transformer Division
Philadelphia & Petersburg, Pennsylvania
Greensboro, Maryland

Technitrol, Inc.

Products Division
1952 East Allegheny Avenue
Philadelphia, Pennsylvania 19134

Subsidiaries:

Advanced Metallurgy, Inc.
McKeesport, Plum Boro, Delmont & Lancaster, Pennsylvania
Luquillo, Puerto Rico

Manufactures electrical contacts for circuit breakers and semiconductor devices.

John Chatillon & Sons, Inc.
Kew Gardens, New York
Greensboro, North Carolina

Manufactures scales, force measuring instruments, and springs.

Chace Precision Metals, Inc.
Reidsville, North Carolina

Manufactures bonded metal laminates for thermostatic and non-thermostatic applications.

Technitrol International Inc.
Wilmington, Delaware

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): American

Ticker Symbol: TNL

Number of Employees:

1989 1,105
1988 1,073
1987 578
1986 551
1985 667

Plant Footage:

1989 .... 394,400 sq. ft.
1988 608,000
1987 238,600
1986 238,600
1985 255,100

Sales & Earnings

	Net Sales +	Net Income
1989	$ 91,940,000	$ 7,569,000
1988	68,890,000	5,672,000
1987	43,321,000	5,143,000
1986	37,385,000	3,202,000
1985	39,009,000	3,343,000

	No. of Com. Shares	Earn. per Share ‡
1989	1,970,250	$ 3.85
1988	1,952,100	2.91
1987	1,936,950	2.57
1986	2,002,870	1.59
1985	2,014,476	1.65

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Electronic products	$ 23,938	$ 21,672
Electrical products	39,903	28,683
Mechanical products	28,099	18,535
Total	$ 91,940	$ 68,890

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.97	—	—
1988	0.75	—	
1987	0.60	—	—
1986	0.405	—	—
1985	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 35,014,000	$ 17.77
1988	29,014,000	14.86
1987	24,604,000	12.70
1986	21,925,000	10.95
1985	19,743,000	9.80

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 91,940,000	$ 68,890,000
Cost of sales	65,091,000	48,604,000
Expenses	15,252,000	10,947,000
Interest income	(701,000)	(843,000)
Interest expense	1,500,000	1,070,000
Other expense	240,000	130,000
Income before taxes	$ 10,558,000	$ 8,982,000
Income taxes	2,989,000	3,310,000
Net Income	$ 7,569,000	$ 5,672,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,478,000 in 1989 and $2,227,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 2,640,000	$ 1,775,000
Cert. of deposit	4,600,000	6,452,000
Marketable securities	18,000	419,000
Accts. & notes receiv., net	13,468,000	13,041,000
*Inventories	12,809,000	12,921,000
Prepaid inc. taxes	707,000	—
Prepaid expenses	350,000	256,000
Current Assets	$ 34,592,000	$ 34,864,000
# Fixed assets	17,274,000	18,302,000
Mortgage receivable	259,000	289,000
Other assets	395,000	376,000
Total Assets	$ 52,520,000	$ 53,831,000

Liabilities

	1989	1988
Long-term debt, curr	$ 2,331,000	$ 640,000
Accts. payable	2,597,000	4,681,000
Accrued payroll	2,634,000	2,001,000
Income taxes	—	626,000
Dividends payable	552,000	410,000
Other accruals	1,788,000	1,808,000
Curr. Liabilities	$ 9,902,000	$ 10,166,000
Long-term debt	7,303,000	14,135,000
Deferred inc. taxes	301,000	516,000
+Common stock	373,000	373,000
Add. paid-in capital	2,745,000	2,264,000
Retained earnings	37,042,000	31,384,000
Treasury stock	(4,459,000)	(4,539,000)
Unearned comp.-stock plan	(687,000)	(468,000)
Total Liabilities & Shareholders' Equity	$ 52,520,000	$ 53,831,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.125 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Revenues	11.48	13.04
%Net Income to Revenues	8.23	8.23
%Net Income to Equity	21.62	19.55
Debt to Equity	0.28	0.51
Working Capital	$ 24,690,000	$ 24,698,000
Current Ratio	3.49	3.43
Shareholders' Equity	$ 35,014,000	$ 29,014,000

Tech/Ops Sevcon, Inc.

One Beacon Street
Boston, Massachusetts 02108
(617) 523-2030
FAX: (617) 523-0073

(In January 1988, Tech/Ops, Inc. was divided into two, new separate public companies, Tech/Ops Sevcon, Inc. and Tech/Ops Landauer, Inc.)

Officers: Marvin G. Schorr, chairman of the board; Bernard F. Start, president & chief executive officer; Robert P. Moncreiff, secretary & counsel; Paul B. Rosenberg, treasurer.

Directors: Marvin G. Schorr, chairman; Bernard F. Start, Eric T. Clarke, Milton C. Lauenstein, Harold C. Mayer, Jr., Paul B. Rosenberg, Herbert Roth, Jr., C. Vincent Vappi.

Areas of Work: Designs, manufactures and distributes solid state controls for electric vehicles, including forklift trucks, mining vehicles, airport tractors, sweepers, and other battery-powered vehicles.

Subsidiaries:

Tech/Ops Limited
Kingsway
Gateshead, NE11 OQA, England
091-487-8516

Tech/Ops S.A.
12 Rue Jean Poulmarch
95100 Argenteuil, France
1-3410-9545

Sevcon, Inc.
40 North Avenue
Burlington, Massachusetts 01803
(617) 272-3612

ICW Limited
Miners Road
Llay Industrial Estate
Wrexham, Clwyd, LL12 0PJ, Wales
097-883-3805

Transfer Agents:

The Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: TOC

Number of Employees:

1989 207
1988 225
1987 211
1986 200
1985 193

Plant Footage:

1989 .... 66,000 sq. ft.
1988 66,000
1987 66,000
1986 66,000
1985 66,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 14,323,000	$ 1,380,000
1988	14,268,000	1,039,000
1987	10,631,000	557,000
1986	10,275,000	817,000
1985	8,312,000	398,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,029,000	$ 0.68
1988	2,084,000	0.50
1987	2,036,000	0.27
1986	2,016,000	0.41
1985	2,257,000	0.18

‡ Based on the weighted average number of common shares and common share equivalents outstanding. Previous to 1988, shares presented are those for Tech/Ops.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 7,103,000	$ 3.50
1988	5,926,000	2.84
1987	5,034,000 *	2.47
1986	4,017,000 *	—

* Parent company investment.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$14,323,000	$14,268,000
Cost of sales	8,394,000	8,971,000
Expenses	3,940,000	3,709,000
Interest expense	3,000	16,000
Interest income	(200,000)	(63,000)
Other income	(59,000)	(82,000)
Income before taxes	$ 2,245,000	$ 1,717,000
Income taxes	865,000	678,000
Net Income	$ 1,380,000	$ 1,039,000

* Included in Costs and Expenses, Depreciation and Amortization: $245,000 in 1989 and $279,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 3,442,000	$ 1,751,000
Accts. receiv., net	2,446,000	2,122,000
*Inventories	1,620,000	2,522,000
Current Assets	$ 7,508,000	$ 6,395,000
#Fixed assets	1,094,000	1,167,000
Costs in exc. of assets acq.	1,505,000	1,519,000
Other assets	86,000	90,000
Total Assets	$ 10,193,000	$ 9,171,000

Liabilities

	1989	1988
Notes payable	$ 12,000	$ 23,000
Accts. payable	606,000	1,169,000
Accrued compensation	605,000	542,000
Other accruals	920,000	871,000
Deferred income taxes	636,000	317,000
Curr. Liabilities	$ 2,779,000	$ 2,922,000
Deferred inc. taxes	311,000	323,000
+ Common stock	2,026,000	2,036,000
Add. paid-in capital	3,422,000	3,457,000
Retained earnings	2,209,000	837,000
Cum. trans. adjust.	(554,000)	(404,000)
Total Liabilities & Shareholders' Equity	$ 10,193,000	$ 9,171,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $1 stated value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	15.67	12.03
% Net Income to Sales	9.63	7.28
% Net Income to Equity	19.43	17.53
Sales to Inventories	8.84	5.66
Working Capital	$ 4,729,000	$ 3,473,000
Current Ratio	2.70	2.19
Shareholders' Equity	$ 7,103,000	$ 5,926,000

Tech-Sym Corporation

10500 Westoffice Drive
Houston, Texas 77042-5311
(713) 785-7790
FAX: (713) 780-3524

Officers: Wendell W. Gamel, chairman of the board & president; Robert E. Moore, v.p., secretary & general counsel; Ray F. Thompson, treasurer & controller, & president-Syntron, Inc.; Coy J. Scribner, v.p. & president-Metric Systems Corp.; O. Dale Burris, president-TRAK Microwave Corporation; J. Rankin Tippins, associate general counsel & asst. secretary; Alice Stacy, asst. secretary.

Directors: Keith R. Beeman, Wendell W. Gamel, Robert E. Moore, Joal A. Teresko, Coy J. Scribner, Rollin J. Sloan, Christopher C. Kraft, Jr., Albert A. Gallotta, Jr., Charles K. Watt, W.L. Creech.

Areas of Work: Engaged primarily in the design, development, production and sale of advanced electronic systems, and electronic components and aeromechanical products, principally in defense-related markets.

Divisions and Subsidiaries:

TRAK Microwave Corporation
4726 Eisenhower Boulevard
Tampa, Florida 33634
(813) 884-1411

Designs, manufactures and markets a variety of electronic microwave components that are sold to manufactures of electronic systems.

TRAK Microwave Company Limited
3 Lindsay Court
Dundee Technology Park
Dundee DD2 1TY Scotland
0382 561509

Manufactures a broad range of ferrite isolators and circulators, along with a variety of other passive microwave components, for commercial applications.

Metric Systems Corporation
645 Anchors Street
Fort Walton Beach, Florida 32548
(904) 244-9600

Produces military electronics, industrial and commercial data interface, monitoring and data processing. Military electronic products include timing terminals, the IRIG Time Reader, real time interface systems, meterological data processing systems, and other computer oriented systems. Produces monitoring and controls products and systems for paper mill boiler operations, paper production and electric power companies. Has developed a microprocessor, a small scale digital computer designed around a central integrated circuit. The Aeromechanics Division of Metric Systems Corporation is a supplier of materials and equipment for the domestic military transportation market; products include aerial delivery equipment.

Enterprise Electronics Corporation
Industrial Boulevard
P.O. Box 1216
Enterprise, Alabama 36331
(205) 347-3478

World-wide supplier of radar systems for meterology. The systems detect, analyze and display information on weather patterns.

Tecom Industries, Inc.
9324 Topanga Canyon Blvd.
Chatsworth, California 91311
(818) 341-4010

Manufactures antennas for surveillance, communications, electronic warfare, missiles, and telemetry. Other products include positioners and controllers.

Syntron, Inc.
3000 Hayes Road
Houston, Texas 77082
(713) 531-1100

Manufactures marine seismic equipment.

Syntron Europe Limited
Birchwood Way
Cotes Park Industrial Estate
Somercotes
Derbyshire DE 554QQ, United Kingdom
(0773) 605078

Manufactures, services and repairs streamer cables for use in marine geophysical operations.

Transfer Agent(s):

First City Texas-Houston, N.A.
Stock Transfer Section
P.O. Box 809
Houston, Texas 77001

The Chase Manhattan Bank, N.A.
Shareholder Services
1 New York Plaza, 14th Floor
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: TSY

Number of Employees:

1989	1,653	1987	1,706
1988	1,752	1986	1,538

Plant Footage:

1989	480,350 sq. ft.	1987	450,750
1988	480,350	1986	431,000

Sales & Earnings

	Net Sales +	Net Income
1989	$ 119,035,000	$ 6,369,000
1988	120,396,000	4,591,000
1987	110,615,000	8,295,000
1986	100,046,000	8,517,000
1985	91,441,000	6,411,000

	No. of Com. Shares	Earn. per Share ‡
1989	6,399,115	$ 0.98
1988	6,592,325	0.70
1987	6,595,985	1.25
1986	6,623,245	1.29
1985	6,619,225	0.96

+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding during each year.

Revenues By Line of Business

	1989	1988	1987	1986
Microwave prods.	30 %	28 %	27 %	30 %
Naval systems	17	17	20	22
Antennas	11	11	12	13
Training systems	27	26	23	21
Meteorological radar syst.	6	8	10	14
Seismic monitoring syst.	9	10	8	—
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 87,436,000	$ 13.66
1988	83,093,000	12.60
1987	78,632,000	11.92
1986	70,648,000	10.67
1985	62,110,000	9.38

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 119,035,000	$ 120,396,000
Cost of sales	80,674,000	82,244,000
Expenses	23,641,000	23,100,000
Prod. develop. costs	3,626,000	3,196,000
Interest expense	2,736,000	2,398,000
Other income	(1,561,000)	(861,000)
Income bef. taxes	$ 9,919,000	$ 10,319,000
Income taxes	3,550,000	3,750,000
Inc.-cont. oper.	$ 6,369,000	$ 6,569,000
Loss-discont. oper.	—	(2,842,000)
Cum. effect of acct. change	—	864,000
Net Income	$ 6,369,000	$ 4,591,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,084,000 in 1989 and $4,164,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 4,898,000	$ 1,625,000
Marketable securities	18,604,000	9,630,000
Receiv., net	17,682,000	19,161,000
Unbilled revenue	42,724,000	38,302,000
*Inventories	17,155,000	18,421,000
Other curr. assets	467,000	2,028,000
Current Assets	$ 101,530,000	$ 89,167,000
#Fixed assets	24,991,000	24,701,000
Long-term receivables	875,000	1,169,000
Prop. held for resale	1,027,000	1,062,000
Other assets	6,314,000	5,411,000
Total Assets	$ 134,737,000	$ 121,510,000

Liabilities

	1989	1988
Notes payable & long-term debt, curr.	$ 1,936,000	$ 2,768,000
Accts. payable	5,595,000	5,485,000
Income taxes	695,000	252,000
Accruals	8,246,000	8,100,000
Current Liabilities	$ 16,472,000	$ 16,605,000
Long-term debt	25,544,000	17,358,000
Deferred inc. taxes	2,756,000	2,814,000
Other liabilities	2,529,000	1,640,000
+ Common stock	692,000	691,000
Add. paid-in capital	32,471,000	32,457,000
Retained earnings	58,298,000	51,929,000
Treasury stock	(4,025,000)	(1,984,000)
Total Liabilities & Shareholders' Equity	$ 134,737,000	$ 121,510,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and depletion.
+ $0.10 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	8.33	—
%Net Income to Sales	5.35	—
%Net Income to Equity	7.28	5.53
Sales to Inventories	6.94	6.54
Debt to Equity	0.31	0.24
Working Capital	$ 85,058,000	$ 72,562,000
Current Ratio	6.16	5.37
Shareholders' Equity	$ 87,436,000	$ 83,093,000

Tektronix, Inc.

P.O. Box 500
14150 S.W. Karl Brown Drive
Beaverton, Oregon 97077
(503) 627-7111
FAX: (503) 627-5139

Officers: Robert W. Lundeen, chairman & chief exec. officer; William D. Walker, president & chief oper. officer; Gary Arnold, v.p. & chief financial officer; Charles H. Frost, v.p.-public affairs; Richard Hill, v.p. & gen. mgr.-Oscilloscope Group; Lawrence R. Kaplan, v.p. & gen. mgr.-Visual Systems Group; Richard I. Knight, v.p. & gen. mgr.-Systems Group; R. Allen Leedy, Jr., v.p., sec., & gen. counsel; Tom Long, v.p. & gen. mgr.-Technology Group; Philip J. Robinson, v.p.-administration; Pat Kunkle, v.p.-human resources; Daniel G. Wright, v.p.; Steven Kerman, v.p.; Terry Clifford, treasurer; Jack Raiton, controller; Barbara J. Block, asst. treasurer; Linda S. Green, asst. secretary; N. Eric Jorgensen, asst. secretary; Edward J. Lewis, asst. secretary; Sandra L. Mabee, asst. controller.

Directors: Robert W. Lundeen, chairman; William D. Walker, Paul E. Bragdon, F. Paul Carlson, Donald O. Pederson, Jean E. Vollum, Leo J. Chamberlain, David P. Friedley, Alfred M. Gleason, Andrew Smith.

Areas of Work: In the Test and Measurement segment, the company manufactures digital and analog oscilloscopes, logic analyzers, microprocessor development products, spectrum analyzers, semiconductor test systems, digitizers, semiconductor curve tracers, modular line of general purpose test instruments and accessories which include probes, attenuators, connectors, adapters, cart and specially equipped hard copy devices such as plotters and cameras to record waveforms displayed on CRTs.

In the Visual Systems Products segment, the company manufactures graphic computer terminals, workstations, and color graphics printers.

In the Communications Products segment, the company manufactures television test equipment including vectorscopes, waveform monitors, picture monitors, signal generators, test systems, demodulators, correctors, cable and fiber optic testers, data communications analyzers, network analyzers and fiber optic links. Grass Valley Group products include routers, switchers, editors, and digital effects systems.

Subsidiaries:

TriQuint Semiconductor, Inc.
Beaverton, Oregon

Tektronix Development Corp.
Beaverton, Oregon

Tektronix Foreign Sales Corporation
St. Thomas, U.S. Virgin Islands

Tektronix Asia, Limited
Beaverton, Oregon

The Grass Valley Group, Inc.
Grass Valley, California

Dubner Computer Systems, Inc.
Fort Lee, New Jersey

LP Com, Inc.
Mountain View, California

Int'l. Manufacturing:

Hinditron Tektronix Instruments Ltd. (joint venture)
Bangalore, India

Sony/Tektronix Corporation (joint venture)
Tokyo & Gotemba, Japan

Tektronix Guernsey Limited
Channel Island of Guernsey

Tektronix Holland N.V.
Heerenveen, The Netherlands

Tektronix Hong Kong Limited
Hong Kong

Tektronix U.K. Ltd.
Hoddesdon, United Kingdom

Int'l. Sales and Service:

Tektronix Australia Pty. Ltd.
Sydney, Melbourne, Brisbane, Canberra, Adelaide & Perth, Australia

Tektronix Ges. mbH
Vienna & Graz, Austria

Tektronix S.A.
Brussels, Belgium

Tektronix Canada Inc.
Barrie, Calgary, Edmonton, Montreal, Ottawa, Toronto & Vancouver, Canada

Tektronix A/S
Copenhagen & Aabyhoej, Denmark

Tektronix S.A.
Paris, Aix-en-Provence, Lyon, Nanterre, Merignac, Rennes, Strasbourg & Toulouse, France

Tektronix GmbH
Cologne, Berlin, Frankfurt, Hamburg, Karlsruhe, Munich, & Nuremberg, Germany.

Tektronix Hong Kong Limited
Hong Kong

Hinditron Tektronix Instruments Ltd.
Bangalore, Bombay, New Delhi, Calcutta, Madras, Pune, Ahmadabad & Secunderabad, India.

Sony/Tektronix Corporation (joint venture)
Tokyo, Atsugi, Fukuoka, Nagoya, Osaka, Omiya, Sendai, Tama, Tsuchiura, Japan.

Tektronix Taiwan Ltd.
Taipei & Kaohsiung, Taiwan

Tektronix U.K. Limited
London & Manchester, England; Livingston, Scotland.

Tektronix AB
Stockholm & Gothenburg, Sweden

Tektronix International AG
Zug, Switzerland

Tektronix Ireland Limited
Dublin, Ireland

Tektronix Norge A/S
Oslo, Norway

Tektronix Oy
Helsinki, Finland

Tektronix Industria e Comercio Ltda.
Rio de Janeiro & Sao Paulo, Brazil

Tektronix S.A. de C.V. (joint venture)
Mexico City, Mexico

Tektronix S.p.A.
Milan, Rome and Turin, Italy

Tektronix Espanola S.A.
Madrid, Barcelona & Bilbao, Spain

Tektronix China, Limited
Hong Kong & Beijing, People's Republic of China

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Pacific

Ticker Symbol: TEK

Number of Employees:

1989	15,708	1986	19,251
1988	16,085	1985	20,525
1987	17,099		

Plant Footage:

1989	1,545,000 sq. ft.	1986	7,901,000
1988	7,578,000	1985	7,840,000
1987	7,689,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,432,996,000	$ 18,905,000
1988	1,411,864,000	(16,667,000)
1987	1,395,885,000	51,188,000
1986*	1,352,212,000	39,327,000
1985	1,438,082,000	90,181,000

	No. of Com. Shares †	Earn. per Share #
1989	28,947,000	$ 0.66
1988	28,155,000	—
1987	36,977,000	1.33
1986*	38,555,000	0.98
1985	41,402,000	2.20

(Loss)
* 53 weeks.
† Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1989	1988
Test & measure. prod. sales	$ 857,603,000	$ 881,992,000
Visual systems prod. sales	279,056,000	283,089,000
Communications prod. sales	296,337,000	246,783,000
Total	$ 1,432,996,000	$ 1,411,864,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.60	—	—
1988	0.60	—	
1987	0.55	—	2-for-1
1986	0.50	—	—
1985	0.50	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 497,320,000	$ 17.18
1988	497,496,000	17.67
1987	838,424,000	22.67
1986	837,059,000	21.71
1985	855,038,000	20.65

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	5/27/89	5/28/88
Net sales	$ 1,432,996	$ 1,411,864
Cost of sales	705,745	685,626
Expenses	359,591	665,947
Profit sharing	26,499	24,913
Interest expense	23,224	15,860
Other expense (income)	(12,203)	3,929
Income before taxes	$ 57,330	$ 15,589
Income taxes	38,425	32,256
Net Income (Loss)	$ 18,905	$ (16,667)

* Included in Costs and Expenses, Depreciation: $75,373,000 in 1989 and $81,742,000 in 1988.

Assets
(000's)

As of	5/27/89	5/28/88
Cash	$ 70,727	$ 48,906
Short-term invest.	—	168
Accts. receiv.	259,414	262,304
* Inventories	183,920	180,881
Other curr. assets	35,326	52,033
Current Assets	$ 549,387	$ 544,292
# Fixed assets	344,463	347,469
Other assets	129,168	132,499
Total Assets	$ 1,023,018	$ 1,024,260

Liabilities
(000's)

Short-term debt	$ 133,710	$ 13,600
Accts. payable	131,450	134,708
Accrued compensation	87,829	87,632
Income taxes	4,054	13,931
Curr. Liabilities	$ 357,043	$ 249,871
Long-term debt	113,887	219,393
Other liabilities	23,795	20,125
Deferred inc. taxes	30,973	37,375
+ Common stock	167,263	149,714
Reinvested earnings	293,909	292,116
Currency trans. adj.	36,148	55,666
Total Liabilities & Shareholders' Equity	$ 1,023,018	$ 1,024,260

* At lower of cost or market. (U.S. inventories at LIFO, foreign at FIFO).
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	4.00	1.10
% Net Income to Sales	1.32	—
% Net Income to Equity	3.80	—
Sales to Inventories	7.79	7.81
Debt to Equity	0.50	0.47
Working Capital	$ 294,421,000	$ 294,421,000
Current Ratio	2.18	2.18
Shareholders' Equity	$ 497,320,000	$ 497,496,000

Teledyne, Inc.

1901 Avenue of the Stars
Los Angeles, California 90067
(213) 277-3311
FAX: (213) 551-4267

Officers: Henry E. Singleton, chairman of the board; George A. Roberts, chief exec. officer & president; Hudson B. Drake, sr. v.p.; William P. Rutledge, exec. v.p.; Leo W. Killen, vice president; Allen H. Orbuch, vice president; Jerrold V. Jerome, vice president; Gordon J. Bean, treasurer; Judith R. Nelson, secretary.

Directors: Henry E. Singleton, chairman; George Kozmetsky, George A. Roberts, Arthur Rock, Fayez Sarofim.

Areas of Work: The Company's major business segments include aviation and electronic products, industrial products, specialty metal products, and consumer products. Aviation and electronic products include aircraft engines, airframe structures, remotely piloted vehicles, drone systems, spacecraft and avionics. This segment also includes the manufacture of semiconductors, relays, aircraft monitoring and control systems, military electronic equipment and other related products and systems. Internal combustion engines are the major product of the industrial segment, including the manufacture of air and water cooled, gasoline and diesel fueled engines. Other products in this segment include machine tools, dies and consumable tooling. Specialty metal products include zirconium, high-speed and alloy steels, tungsten and molybdenum. Other operations in this segment include processing, casting, rolling and forging metals. The consumer segment includes oral hygiene products, shower massages, water filters, high fidelity speakers and other products and services. The Company also conducts insurance operations.

Divisions and Subsidiaries:

Aviation and Electronics

Teledyne Aerospace Systems
1007 E. 10th Street
Fairmont, Minnesota 56031
Designs and produces high quality multi-conductor electrical cable assemblies and wiring harnesses.

Teledyne Avionics
Charlottesville-Albemarle Airport
Charlottesville, Virginia 22906
Produces angle of attack instrumentation, pneumatic instrumentation such as the IVSI (Intertial-lead Vertical Speed Indicator), and audiometers used to screen children for hearing disabilities.

Teledyne Battery Products
840 West Brockton
Redlands, California 92374
Designs and manufactures dry charged lead acid batteries for military trucks, aircraft, standby power, and other specialty applications.

Teledyne Brown Engineering
Cummings Research Park
Huntsville, Alabama 35807
Manufactures missile components and subsystems and targets and drones for the military; performs tasks ranging from ground test support for the main engine to the role of payload integration, in the U.S. Shuttle program.

Teledyne CAE
1330 W. Laskey Road
Toledo, Ohio 43612
Designs, develops and manufactures gas turbine engines.

Teledyne Camera Systems
131 North Fifth Avenue
Arcadia, California 91006
Manufactures photographic instrumentation, photo-optical systems and components including specialized airborne cameras, underwater photographic equipment and infrared detection systems.

Teledyne Continental Motors Aircraft Products
Brookley & Industrial Complex
Mobile, Alabama 36615
Produces aircraft piston engines.

Teledyne Controls
12333 W. Olympic Boulevard
Los Angeles, California 90064
Produces a wide variety of electronic equipment for commercial, military and other applications, including airborne electronic equipment utilizing automatic digital communication.

Teledyne Crystalonics
147 Sherman Street
Cambridge, Massachusetts 02140
Manufactures high reliability semiconductors and specializes in the redevelopment of silicon transistor, tuning and current regulator diodes and hybrid microcircuits.

Teledyne Electro-Mechanisms
110 Lowell Road
Hudson, New Hampshire 03051
Produces flexible etched circuitry used in high reliability aerospace and electronic applications where space and weight requirements must be kept to a minimum.

Teledyne Electronics
649 Lawrence Drive
Newbury Park, California 91320
Designs, develops and manufactures airborne and ground based identification systems and test equipment (Identification Friend or FOE/Air Traffic Control). Also produces telemetry transmitters, multiplexers and signal conditioning equipment.

Teledyne Hastings-Raydist
804 Newcombe Avenue
Hampton, Virginia 23661
Provides products and services for navigational purposes such as precise radio location and positioning in inland and coastal waterways.

Teledyne Kinetics
410 South Cedros Avenue
Solana Beach, California 92075
Designs and manufactures proprietary electro-mechanical products including motor drive switches for use on missiles and space vehicles and printed circuit connectors.

Teledyne Lewisburg
Industrial Park
Lewisburg, Tennessee 37091
Manufactures high reliability electronic and electromechanical equipment for defense, space and industrial applications including UHF radio communications systems, fixed station transceivers, process control equipment for nuclear energy plant safety systems and data acquisition equipment for wind tunnel operation and control.

Teledyne McCormick Selph
3601 Union Road
Hollister, California 95023
Produces ordnance devices and specialty chemicals.

Teledyne MEC
3165 Porter Drive
Palo Alto, California 94304
Manufactures microwave devices for use in electronic counter-measures.

Teledyne Microelectronics
12964 Panama Street
Los Angeles, California 90066
Manufactures custom, high-reliability hybrid microcircuits.

Teledyne Microwave
1290 Terra Bella Avenue
Mountain View, California 94043
Designs and manufactures passive and active microwave devices and subsystems, including filters, multiplexers and integrated sub-assemblies; ferrite components including circulators and isolators; coaxial, SPDT, transfer and multithrow switches and voltage controlled oscillator systems.

Teledyne Neosho
Doniphan Drive
Neosho, Michigan 64850
Precision gear for jet, tubine, and reciprocating engines.

Teledyne Philbrick
Allied Drive at Route 128
Dedham, Massachusetts 02026
Manufactures hybrid and modular electronic components including, data converters, linear circuit components, nonlinear components and power supplies.

Teledyne Relays
12525 Daphne Avenue
Hawthorne, California 90250
Manufactures hermetically sealed electromechanical relays and solid-state relays for electronic applications.

Teledyne Ryan Aeronautical
2701 Harbor Drive
San Diego, California 92138
Designs and develops remotely piloted supersonic airborne vehicles, Doppler velocity sensors, radar and infrared altimeters, microwave and electronically scannable antennas and space landing radars.

Teledyne Ryan Electronics
8650 Balboa Avenue
San Diego, California 92123
Designs and manufactures high-technology radar-related navigation and avionic systems.

Teledyne Semiconductor
1300 Terra Bella Avenue
Mountain View, California 94043
Manufactures semiconductor components and integrated circuits.

Teledyne Systems
19601 Nordhoff Street
Northridge, California 91324
Engaged in the manufacture of airborne and spaceborne computers, intertial and radio frequency navigation systems, custom test and ground support systems. Sales are principally to government and defense.

Teledyne Thermatics
P.O. Box 909
Elm City, North Carolina 27822
Full service wire and cable company.

Transfer Agent(s):

Bank of America N.T. & S.A.
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Pacific

Ticker Symbol: TDY

Number of Employees:

1989	44,000	1986	44,800
1988	43,800	1985	47,200
1987	44,400		

Plant Footage:

1989	22,500,000 sq. ft.	1987	22,200,000
1988	22,700,000	1986	22,200,000

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 3,531,200	$ 258,900
1988	3,534,600	391,800
1987	3,216,800	377,200
1986	3,241,400	238,300
1985	3,256,200	546,400

	No. of Com. Shares ‡	Earn. per Share ‡
1989	11,100,868	$ 23.32
1988	11,514,115	34.03
1987	11,693,660	32.25
1986	11,709,478	20.35
1985	11,709,478	46.66

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Aviation & electronics	$ 1,465,700	$ 1,548,100
Specialty metals	922,700	857,500
Industrial	809,400	805,500
Consumer & other	333,400	323,500
Total	$ 3,531,200	$ 3,534,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 4.00	—	—
1988	4.00	—	
1987	4.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ 2,326,900	$ 209.61
1988	2,138,400	185.72
1987	1,976,000	168.98
1986	1,636,600	139.77
1985	1,577,400	134.71

# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 3,531,200	$ 3,534,600
Cost of sales	2,750,200	2,709,900
Sell. & adm. exp.	505,900	478,700
Interest expense	69,600	69,800
Other income	(26,200)	(38,500)
Income before taxes	$ 231,700	$ 314,700
Income taxes	81,400	117,600
Inc.-cont. oper.	$ 150,300	$ 197,100
Inc.-discont. oper.	108,600	194,700
Net Income	$ 258,900	$ 391,800

* Included in Costs and Expenses. Depreciation and Amortization: $108,600,000 in 1989 and $194,700,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & market. secur.	$ 236,400	$ 221,700
Receivables	455,500	465,200
*Inventories	280,500	267,200
Deferred inc. taxes	67,000	42,300
Prepaid expenses	17,000	12,000
Current Assets	$ 1,056,400	$ 1,008,400
#Fixed assets	345,400	301,900
Other assets	164,500	121,700
Net assets-discont. oper.	1,880,800	1,817,100
Total Assets	$ 3,447,100	$ 3,249,100

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 8,600	$ 3,700
Accts. payable	156,900	152,500
Accruals	293,300	274,600
Accrued inc. taxes	2,900	24,400
Current Liabilities	$ 461,700	$ 455,200
Long-term debt	571,300	578,000
Deferred inc. taxes	50,800	30,500
Other liabilities	36,400	47,000
+Common stock	11,100	11,200
Add. paid-in capital	78,800	79,600
Retained earnings	2,167,200	1,989,500
Equity in unrealized apprec.	67,000	54,800
Curr. trans. adjust.	2,800	3,300
Total Liabilities & Shareholders' Equity	$ 3,447,100	$ 3,249,100

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1989	1988
%Net Income to Equity	11.13	18.32
Sales to Inventories	12.59	13.23
Debt to Equity	0.25	0.27
Working Capital	$ 594,700,000	$ 553,200,000
Current Ratio	2.29	2.22
Shareholders' Equity	$ 2,326,900,000	$ 2,138,400,000

Telxon Corporation

3330 West Market Street
Akron, Ohio 44313-3352
(216) 867-3700
FAX: (800) 321-2424

Officers: Robert F. Meyerson, chairman; Raymond D. Meyo, president & chief exec. officer; Dan R. Wipff, sr. exec. v.p., chief financial officer & chief operating officer; D. Michael Grimes, sr. v.p.-sales & marketing; John Cribb, sr. v.p.- international; Donald A. Heckerman, sr. v.p.-administration.

Directors: Robert F. Meyerson, chairman; Raymond D. Meyo, Dan R. Wipff, M. Donald McClusky, Raj Reddy.

Areas of Work: Designs, manufactures, markets and services hand-held, portable, interactive microcomputer systems.

Subsidiaries:

Telxon mde GmbH
Gutenbergring 1-5
2000 Norderstedt
Hamburg, Germany

Telxon Limited
Old Orchard High Street
Poole, Dorset BH151AE, United Kingdom

Telxon Canada Corporation, Inc.
2651 John Street, Unit 6
Markham, Ontario L3R 2W5 Canada

Telxon Australia Pty. Limited
Commercial Union Building, 3rd Floor
90 Arthur Street
North Sydney, N.S.W. 2060, Australia

Telxon France S.A.
Parc Hightec Apogee
Avenue Du Canada
ZA de Courto-boeuf, 91966 Les Ulis Cedex, France

MicroOffice Systems Technology, Inc.
35 Kings Highway
East Fairfield, Connecticut 06430

Transfer Agent(s):

AmeriTrust Company N.A.
900 Euclid Avenue
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TLXN (NASDAQ)

Number of Employees:

1989	1,200	1987	760
1988	910		

Sales & Earnings

	Revenues	Net Income †
1989	$ 159,622,000	$ 15,371,000
1988	123,860,000	14,012,000
1987	100,819,000	12,730,000
1986	82,095,000	8,109,000
1985	64,019,000	4,984,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	13,201,867	$ 1.17
1988	13,363,964	1.05
1987	13,574,644	0.94
1986	12,722,962	0.64
1985	11,206,723	0.45

† Including extraordinary gains of $499,000 ($0.04 per share) in 1989, $121,000 ($0.01 per share) in 1988, $399,000 ($0.03 per share) in 1987, $224,000 ($0.02 per share) in 1986 and $114,000 ($0.01 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1989	1988
Product sales	$ 138,465.000	$ 106,655,000
Field service	21,157,000	17,205,000
Total	$ 159,622,000	$ 123,860,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.01	—	—
1988	0.01	—	
1987	0.01	—	—
1986	0.007	—	3-for-2
1985	0.005	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 95,353,000	$ 7.22
1988	79,559,000	5.95
1987	69,256,000	5.10
1986	54,673,000	4.30
1985	28,928,000	2.58

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account
(000's)

Year ended Mar. 31	1989	1988
Revenues	$ 159,622	$ 123,860
Cost of sales & serv.	79,167	56,064
Expenses:		
Selling	34,109	26,626
Prod. develop. & eng.	9,849	7,563
Gen. & adm.	13,681	11,192
Interest income	(4,051)	(3,436)
Interest expense	3,762	3,060
Income before taxes	$ 23,105	$ 22,791
Income taxes	8,233	8,900
Net Income	$ 14,872	$ 13,891
Extraord. gain	499	121
Net Income & extraord. gain	$ 15,371	$ 14,012

Assets
(000's)

As of Mar. 31	1989	1988
Cash	$ 49,808	$ 62,678
Accts. receiv., net	52,847	41,889
Other receivables	2,704	2,472
*Inventories	38,234	24,532
Prepaid expenses	3,068	903
Current Assets	$ 146,661	$ 132,474
#Fixed assets	17,494	13,334
Other assets	11,398	3,427
Total Assets	$ 175,553	$ 149,235

Liabilities
(000's)

Notes payable	$ 2,602	$ 2,065
Cap. lease oblig. curr.	585	398
Accts. payable	12,276	5,865
Income taxes	2,546	2,556
Accruals	11,373	10,775
Curr. Liabilities	$ 29,382	$ 21,659
Cap. lease oblig.	1,282	332
Deferred inc. taxes	2,359	1,255
Convert. debentures	46,000	46,000
Other liab.	1,177	430
+Common stock	131	129
Add. paid-in capital	41,568	40,521
Retained earnings	53,571	38,330
For. curr. adjust.	83	579
Total Liabilities & Shareholders' Equity	$ 175,553	$ 149,235

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	14.47	18.40
%Net Income to Revenues	9.32	11.22
%Net Income to Equity	15.60	17.46
Debt to Equity	0.05	0.04
Working Capital	$ 117,279,000	$ 110,815,000
Current Ratio	4.99	6.12
Shareholders' Equity	$ 95,353,000	$ 79,559,000

Tenney Engineering, Inc.

1090 Springfield Road
Union, New Jersey 07083
(201) 686-7870
FAX: (201) 686-7971

Officers: Robert S. Schiffman, chairman of the board, president & chief exec. officer; Saul S. Schiffman, vice chairman of the board; Seymour B. Sternbach, exec. v.p.; Frank E. Colgan, vice president & asst. secretary; Douglas J. Barrett, v.p.-marketing; G. Kenneth Sneden, vice president; Walter Gottesman, treasurer & secretary.

Directors: Saul S. Schiffman, chairman; Walter Gottesman, Robert S. Schiffman, David C. Schiffman, Seymour B. Sternbach, Stanley Siegel.

Areas of Work: Engineers, manufactures and markets high-technology environmental test equipment, custom thin film deposition equipment, and insulated enclosures.

Subsidiaries:

Tenney International, Inc. (FSC)

WesTenn Sales, Inc.
4540 South Decatur Street
Englewood, Colorado 80110
(303) 798-0945

VacTenn, Inc.
1547 Industrial Road
San Carlos, California 94070
(415) 595-0833
Markets specialty lubricants and filtration systems to the aerospace, optical and semiconductor industries.

Gloekler Refrigerator Company
3950 West 20th Street
Erie, Pennsylvania 16512
(814) 838-1928
Manufactures insulated enclosures used in the refrigeration and drug industries.

DynaTenn Inc. dba DynaVac
30 Woodrock Road
P.O. Box 179
Weymouth, Massachusetts 02189
(617) 337-4111
Manufactures custom thin film deposition equipment and has a line of fully automated, computer-controlled optical coating systems.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: TNY

Number of Employees:

1989	240	1986	N.A.
1988	280	1985	350
1987	360		

Plant Footage:

1989	121,280 sq. ft.	1987	170,000
1988	143,000	1986	N.A.

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income
1989	$ 19,915,000	$ (1,812,000)
1988	21,944,000	(2,292,000)
1987	15,567,000	(944,000)
1986	16,275,000	(91,000)
1985	19,887,000	927,000

	No. of Com. Shares #	Earn. per Share #
1989	3,620,301	$ —
1988	3,621,070	—
1987	3,603,597	—
1986	3,515,409	—
1985	3,490,225	0.27

(Loss)
+ Of continuing operations only.
# Based on the average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 3,863,000	$ 1.07
1988	5,679,000	1.57
1987	7,973,000	2.21
1986	8,536,000	2.43
1985	8,180,000	2.34

‡ Based on the average number of common shares outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net revenue	$ 19,915,000	$ 21,944,000
Cost of sales	15,200,000	17,614,000
Expenses	5,892,000	6,342,000
Interest expense	651,000	771,000
Pension plan curtailment gain	(228,000)	—
Interest income	(29,000)	(131,000)
Loss bef. taxes	$ (1,571,000)	$ (2,652,000)
Tax credit	(80,000)	(1,211,000)
Loss - cont. oper.	$ (1,491,000)	$ (1,441,000)
Loss - discont. oper.	(321,000)	(851,000)
Net Loss	$ (1,812,000)	$ (2,292,000)

* Included in Costs and Expenses, Depreciation and Amortization: $438,000 in 1989 and $458,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 644,000	$ 801,000
Accts. receiv., net	3,206,000	4,908,000
*Inventories	4,641,000	4,736,000
Income tax refund receiv.	—	754,000
Prepaid expenses	195,000	113,000
Current Assets	$ 8,686,000	$ 11,312,000
#Fixed assets	2,412,000	2,613,000
Net assets - discont. oper.	1,092,000	1,602,000
Other assets	154,000	239,000
Total Assets	$ 12,344,000	$ 15,766,000

Liabilities

	1989	1988
Notes payable	$ —	$ 500,000
Long-term debt, curr.	56,000	141,000
Accts. pay. & accruals	1,841,000	2,938,000
Accrued payroll	500,000	500,000
Billings in exc. of revs. on contracts	465,000	100,000
Curr. Liabilities	$ 2,862,000	$ 4,179,000
Long-term debt	5,619,000	5,828,000
Deferred inc. taxes	—	80,000
+Common stock	365,000	365,000
Add. paid-in capital	2,050,000	2,050,000
Retained earnings	1,583,000	3,395,000
Treasury stock	(135,000)	(131,000)
Total Liabilities & Shareholders' Equity	$ 12,344,000	$ 15,766,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Debt to Equity	1.47	1.14
Working Capital	$ 5,824,000	$ 7,133,000
Current Ratio	3.03	2.71
Shareholders' Equity	$ 3,863,000	$ 5,679,000

Teradyne, Inc.

321 Harrison Avenue
Boston, Massachusetts 02118
(617) 482-2700
FAX: (617) 482-6462

Officers: Alexander V. d'Arbeloff, chairman of the board & president; George W. Chamillard, v.p.-Teradyne Connection Systems; David P. Bernstein, v.p.-Assembly Test Sales; George V. d'Arbeloff, v.p.-Industrial/Consumer Division; Joseph B. Lassiter, III, v.p.-Assembly Test/EDA Group; Dennis P. O'Connell, v.p.-connection systems, Europe; James A. Prestridge, v.p.-Component Test Group; Owen W. Robbins, v.p.-finance; Frederick T. Van Veen, v.p.-corporate relations; Loren G. Eaton, v.p.-personnel; Jeffrey R. Hotchkiss, v.p.-EDA sales; John M. Casey, v.p.-Component Test Sales; Daniel F. Murphy, v.p.-Connection Systems Sales; Thomas B. Newman, Jr., v.p.-Component Test Service; Ronald N. Borrelli, v.p.-Zehntel Division; Ronald J. Dias, v.p.-ATE manufacturing operations; Stuart M. Osattin, treasurer; Richard E. Dyck, v.p.-Teradyne Japan; Krishna Nasta, v.p.-Telecommunications, Europe; Edward Rogas, Jr., v.p.-Semiconductor Test Division; John P. McCabe, controller; Richard J. Testa, clerk.

Directors: Alexander V. d'Arbeloff, chairman; Henry M. Watts, Jr., Franklin P. Johnson, Jr., Daniel S. Gregory, Edwin L. Artzt, John H. McArthur, Richard J. Testa, Dwight H. Hibbard, John P. Mulroney.

Areas of Work: Engaged in the design and manufacture of automatic and computer-operated instruments for testing semiconductors, electronic components, assemblies, certain types of printed circuit boards and networks; computer-operated laser-trimming systems for manufacturing hybrid circuits and film resistors; wire-wrap connectors and wire-wrapping service; and other electronic items. Also produces telephone line test systems, film resistors and wire-wrap connectors and backplane connection systems.

Divisions:

Semiconductor Test Division
Agoura Hills, California

Manufacturing Systems Division
Boston, Massachusetts

Industrial-Consumer Division
Boston, Massachusetts

Teradyne Connection Systems
Nashua, New Hampshire

Japan Division
Tokyo, Japan

Telecommunications Division
Deerfield, Illinois

Subsidiaries:

Teradyne S.A.
11 bis, Rue Roquepine
Paris VIII, France

Teradyne Holdings Limited
Teradyne Limited
Mark Instruments Limited
England

Teradyne Benelux, Inc.
Teradyne Hong Kong, Ltd.
Teradyne International, Inc.
Teradyne Japan, Ltd.
Teradyne Canada Limited
Teradyne Italia S.r.l.
Teradyne GmbH
Teradyne K.K.
Teradyne Korea, Ltd.

Zehntel, Inc.
Walnut Creek, California
Designs, manufactures and markets test systems for printed-circuit boards and other subassemblies.

AIDA Corporation
Santa Clara, California
Designs and markets computer-aided engineering products.

CASE Technology Inc.
Mountain View, California
Designs and markets computer-aided engineering products.

Transfer Agent(s):

Bank of Boston
Capital Markets Technologies/Shareholder Services
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: TER

Number of Employees:

1989	4,700	1986	4,300
1988	4,700	1985	4,300
1987	4,700		

Plant Footage:

1989	1,157,000 sq. ft.	1986	1,118,000
1988	1,223,000	1985	1,118,000
1987	1,313,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 483,600,000	$ 10,200,000
1988	462,300,000	(3,300,000)
1987	377,700,000	(21,100,000)
1986	351,100,000	(11,800,000)
1985	393,400,000	13,700,000

	No. of Com. Shares	Earn. per Share ‡
1989	29,300,000	$ 0.35
1988	28,800,000	—
1987	28,400,000	—
1986	27,700,000	—
1985	26,100,000	0.51

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electronic systems & software industry	$ 406,461,000	390,761,000
Backplane connection systems industry	77,114,000	71,536,000
Total	$ 483,575,000	$ 462,297,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 292,700,000	$ 10.01
1988	278,400,000	9.68
1987	278,700,000	9.81
1986	295,500,000	10.67
1985	290,900,000	11.10

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 483,575	$ 462,297
Cost of sales	275,003	264,376
Expenses	190,884	178,122
Restruc. costs	—	16,013
Interest expense	6,799	7,092
Interest income	(1,388)	(1,126)
Other income	(1,636)	(2,275)
Inc. bef. taxes	$ 13,913	$ 95
Income taxes	3,756	3,382
Net Income (Loss)	$ 10,157	$ (3,287)

* Included in Costs and Expenses, Depreciation: $33,831,000 in 1989 and $29,347,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,864	$ 10,920
Accts. receiv., net	107,578	125,338
*Inventories	73,619	74,599
Refund. inc. taxes	429	763
Prepaid expenses	8,831	8,654
Current Assets	$ 194,321	$ 220,274
#Fixed assets	207,703	199,935
Defer. charges & other assets	15,848	13,720
Total Assets	$ 417,872	$ 433,929

Liabilities
(000's)

	1989	1988
Notes payable	$ 6,026	$ 7,149
Long-term debt, curr.	849	826
Accts. payable	10,639	12,668
Accruals	56,517	58,131
Income taxes	1,157	1,130
Curr. Liabilities	$ 75,188	$ 79,904
Convert. subord. deben.	14,231	14,181
Long-term debt	24,151	51,829
Deferred inc. taxes	8,156	5,660
Def. gain on bldg. sale	3,405	3,929
+Common stock	3,657	3,597
Add. paid-in capital	174,475	170,377
Retained earnings	114,609	104,452
Total Liabilities & Shareholders' Equity	$ 417,872	$ 433,929

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.125 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	2.88	—
%Net Income to Sales	2.10	—
%Net Income to Equity	3.47	—
Sales to Inventories	6.57	6.20
Debt to Equity	0.11	0.21
Working Capital	$ 119,133,000	$ 140,370,000
Current Ratio	2.58	2.76
Shareholders' Equity	$ 292,741,000	$ 278,426,000

Terminal Data Corporation

5898 Condor Drive
Moorpark, California 93021-2601
(805) 529-1500
FAX: (805) 529-6538

Officers: Stanley Schoen, chairman of the board; David Krar Hutton, president & chief executive officer; William B. Green, v.p. & technical director; Samuel L. Greene, v.p.-sales; Connie Moore, v.p.-product marketing; Stephen P. Loomis, v.p.-finance, chief financial officer & treasurer; Stephen Watts, v.p.-operations.

Directors: Stanley Schoen, chairman; Charles A. Roberts, Richard M. Drysdale, Michael Rothbart, David Krar Hutton.

Areas of Work: Designs, manufactures, sells and services micrographic and electronic document image capture devices for automated document management systems used in banks, credit card processing operations, large corporations, government agencies and others who manage large volumes of document images.

Subsidiaries:

TDC Properties Corp.
Terminal Data Service Corporation

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardena Avenue
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TERM (NASDAQ)

Number of Employees:

1989	200	1986	370
1988	290	1985	430
1987	325		

Plant Footage:

1989	N.A.	1986	167,000
1988	103,680 sq. ft.	1985	190,000
1987	126,000		

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$ 22,230,000	$ (2,299,000)
1988	27,251,000	(1,710,000)
1987	25,292,000	174,000
1986	31,010,000	(3,824,000)
1985	34,848,000	(2,642,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	4,558,000	$ —
1988	4,518,000	—
1987	4,486,000	0.04
1986	4,482,000	—
1985	4,474,000	—

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business

	1989	1988
Products	$ 16,886,000	$ 22,028,000
Engineering & services	5,344,000	5,223,000
Total	$ 22,230,000	$ 27,251,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 10,972,000	$ 2.41
1988	13,189,000	2.92
1987	14,885,000	3.32
1986	14,671,000	3.27
1985	18,495,000	4.13

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 22,230,000	$ 27,251,000
Cost of sales	16,765,000	19,792,000
Expenses	7,376,000	8,205,000
Special charges	306,000	256,000
Interest expense	604,000	604,000
Interest income	(325,000)	(255,000)
Loss on sale of fixed assets	20,000	557,000
Other income	(217,000)	(48,000)
Loss before taxes	$ (2,299,000)	$ (1,860,000)
Tax credit	—	(150,000)
Net Loss	$ (2,299,000)	$ (1,710,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,121,000 in 1989 and $1,119,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 3,814,000	$ 4,747,000
Receiv., net	4,476,000	5,348,000
*Inventories	5,717,000	6,140,000
Other curr. assets	130,000	109,000
Current Assets	$ 14,137,000	$ 16,344,000
#Fixed assets	3,619,000	3,826,000
Other assets	1,431,000	1,630,000
Total Assets	$ 19,187,000	$ 21,800,000

Liabilities

	1989	1988
Long-term debt, curr.	$ 622,000	$ 122,000
Accts. payable	1,020,000	917,000
Accrued payroll	954,000	1,204,000
Other accruals	728,000	775,000
Curr. Liabilities	$ 3,324,000	$ 3,018,000
Long-term debt	4,584,000	5,250,000
Other deferred	307,000	343,000
+ Common stock	4,575,000	4,542,000
Add. paid-in capital	14,268,000	14,250,000
Retained earn. (deficit)	(7,792,000)	(5,493,000)
Deferred compensation	(16,000)	(47,000)
Notes receiv. - ESOP	(63,000)	(63,000)
Total Liabilities & Shareholders' Equity	$ 19,187,000	$ 21,800,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1989	1988
Sales to Inventories	3.89	4.44
Debt to Equity	0.47	0.41
Working Capital	$ 10,813,000	$ 13,326,000
Current Ratio	4.25	5.42
Shareholders' Equity	$ 10,972,000	$ 13,189,000

Texas Instruments Incorporated

P.O. Box 655474
13500 North Central Expressway
Dallas, Texas 75265
(214) 995-2011
FAX: (214) 995-4360

Officers: Jerry R. Junkins, chairman, president & chief executive officer; William I. George, exec. v.p.; John W. White, v.p. & pres.-Information Technology Group; William B. Mitchell, exec. v.p. & pres.-Defense Systems & Electronics Group; William P. Weber, exec. v.p. & pres.-Semiconductor Group; George H. Heilmeier, sr. v.p. & chief technical officer; Richard J. Agnich, sr. v.p.-secretary & general counsel; William A. Aylesworth, sr. v.p., treasurer & chief financial officer; Marvin M. Lane, Jr., v.p. & corporate controller; David D. Martin, v.p. & president-Materials & Control Group; James W. Martin, v.p. & pres.-Data Systems Group; Walden C. Rhines, v.p. & exec. v.p.-Semiconductor Group; Liston M. Rice, Jr., v.p.-corp. communications/marketing; Joseph D. Zimmerman, v.p.-corporate services; Clara C. O'Donnell, asst. secretary.

Directors: Jerry R. Junkins, chairman; Mark Shepherd, Jr., John C. Toomay, Gerald W. Fronterhouse, David C. Garrett, Jr., William P. Weber, Bernard M. Fauber, David M. Roderick, James R. Adams, Robert A. Hanson, William S. Lee, William B. Mitchell.

Areas of Work: Develops, manufactures and markets semiconductors, including integrated circuits, small, medium, and large scale arrays (MOS and Bipolar); microprocessors & microcomputors, transitors, radar systems, electru-optic systems, missile guidance and control systems, classified electronics equipment; business consumer and scientific calculators; electronic learning aids, opto-electronic devices; electronic and electro-mechanical parts and assemblies, safety and control devices; clad metals; digital computers and computer systems, software productivity tools, electronic data terminals and printers.

Subsidiaries:

Texas Instruments Asia Limited
Texas Instruments Deutschland G.m.b.H.
Texas Instrumentos Electronicos do Brasil Limitada
Texas Instruments Equipamento Electronico (Portugal) Lda.
Texas Instruments France S.A.
Texas Instruments Holland B.V.
Texas Instruments Italia S.p.A.
Texas Instruments Japan Limited
Texas Instruments Limited (U.K.)
Texas Instruments Malaysia Sdn. Bhd.
Texas Instruments Singapore (Pte) Limited
Texas Instruments Taiwan Limited
Texas Instruments Supply Company (Texas)
Texas Instruments Trade & Investment Company, S.A. (Panama)

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

NCNB Texas National Bank
P.O. Box 2964
Dallas, Texas 75221

Stock Exchange(s): New York, London, Geneva, Basel, Zurich, Tokyo

Ticker Symbol: TXN

Number of Employees:

1989	73,854	1986	77,270
1988	75,685	1985	77,872
1987	77,984		

Plant Footage:

1989	27,127,982 sq. ft.	1986	25,360,668
1988	26,649,595	1985	24,802,752
1987	25,340,348		

Sales & Earnings

	Revenues (000's)	Net Income † (000's)
1989	$ 6,521,900	$ 291,700
1988	6,446,900	366,300
1987	5,816,200	321,400
1986	4,988,400	63,100
1985	4,929,600	(140,900)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	84,934,000	$ 3.04
1988	84,820,000	4.05
1987	82,023,000	3.74
1986	75,942,000	0.69
1985	74,844,000	—

(Loss)
† Including extraordinary loss of $10,800,000 ($0.14 per share) in 1986.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.72	—	—
1988	0.72	—	
1987	0.71	—	3-for-1
1986	0.67	—	—
1985	0.67	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 1,964,100 †	$ 23.13
1988	1,722,800 †	20.31
1987	1,364,400 †	16.63
1986	1,059,900 †	13.96
1985	1,033,200	13.80

† After allowing for preferred stock at liquidation value.
‡ Based on the average number of shares oustanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net revenues	$ 6,521,900	$ 6,446,900
Cost of revenues	5,089,700	4,835,400
Expenses	1,044,700	1,017,100
Retirement & Prof. sh. plan	68,100	92,100
Oper. profit	$ 319,400	$ 502,300
Interest on loans	23,600	33,400
Other income	(59,000)	(47,500)
Income before taxes	$ 354,800	$ 516,400
Income taxes	63,100	150,100
Net Income	$ 291,700	$ 366,300

* Included in Costs and Expenses, Depreciation: $453,700,000 in 1989 and $389,800,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 418,200	$ 541,300
Short-term invest.	219,200	239,100
Accts. receiv., net	942,900	942,100
*Inventories	806,400	769,700
Prepaid expenses	59,700	56,400
Current Assets	$ 2,446,400	$ 2,548,600
# Fixed assets	2,129,700	1,726,100
Other assets	228,300	152,800
Total Assets	$ 4,804,400	$ 4,427,500

Liabilities
(000's)

Loans payable & long-term debt, curr.	$ 42,700	$ 22,900
Accts. payable & accruals	1,210,700	1,091,000
Income taxes pay.	24,400	39,000
Accrued retire. & prof. sh. plan	7,500	28,900
Dividends payable	17,500	17,600
Curr. Liabilities	$ 1,302,800	$ 1,199,400
Long-term debt	617,500	623,800
Accrued pension costs	128,900	115,200
Deferred credits & other liab.	270,300	245,500
+ Preferred stock:		
Mkt. auction pref.	300,000	300,000
Conv. money market pref.	220,800	220,800
++ Common stock	81,600	80,800
Add. paid.-in capital	483,100	437,100
Retained earnings	1,403,900	1,209,400
Treasury stock	(4,500)	(4,500)
Total Liabilities & Shareholders' Equity	$ 4,804,400	$ 4,427,500

* At lower of cost, current replacement cost, or est. realizable value.
# Less accumulated depreciation.
+ $25 par value.
++ $1 par value.

Statistical Summary

% Income bef. Taxes to Revenues	5.44	8.01
% Net Income to Revenues	4.47	5.68
% Net Income to Equity	11.74	16.33
Debt to Equity	0.27	0.29
Working Capital	$ 1,143,600,000	$ 1,349,200,000
Current Ratio	1.88	2.12
Shareholders' Equity	$ 2,484,900,000	$ 2,243,600,000

Texscan Corporation

10841 Pellicano Drive
El Paso, Texas 79935
(915) 594-3555
FAX: (915) 591-6984

Officers: William H. Lambert, chairman, president & chief executive officer; Rene L. Flores, v.p.-finance, chief financial officer & secretary; Berthold L. Henscheid, v.p.; Raymond G. Pastie, v.p.; George Fletcher, v.p.-corp. marketing; William P. Dawson, v.p. & general mgr.-Texscan MSI; Michael G. Koerner, v.p.-operations.

Directors: William H. Lambert, chairman; William L. Firestone, Burton G. Mendelson, Talton R. Embry, Thomas E. Ireland, Shelby W. Werner, Shelley F. Greenhaus.

Areas of Work: Manufactures a broad line of distribution equipment for the cable television (CATV) industry. The company also designs, manufactures and markets multipoint distribution systems, character generators and commercial insertion equipment.

Divisions and Subsidiaries:

Texscan MSI Corporation
3855 South 500 West
Suite S
Salt Lake City, Utah 84115
(801) 262-8475

Texscan Communicaciones Banda Grande
S.A. de C.V.
Parque Ind. A.J. Bermudez
Apdo. Postal 1747 Suc 'D'
Cuidad, Juarez, Chihuahua, Mexico

Texscan Instruments Limited
One Northbridge Road
Berkhamsted, Hertfordshire, England

Texscan de Mexico
Melguiades Alanis
Fray Juan de Zumarraga
Cuidad Juarez, Chihuahua, Mexico

Societe Texscan S.A.
7, Rue Du Chemin Vert
94100 Saint Maur, France

Texscan Instruments Limited
Watermeadow, Germain Street
Chesham, Bucks HP5 1LF England, United Kingdom

Communications Products Division

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TXCN (NASDAQ)

Number of Employees:

1989	1,200
1988	1,100
1987	1,200
1986	900
1985	3,000

Plant Footage:

1989	N.A.
1988	N.A.
1987	233,200 sq. ft.
1986	184,700
1985	305,700

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 48,495,000	$ 137,000
1988	39,801,000	3,161,000
1987	35,992,000	5,440,000
1986	47,078,001	(51,850,382)
1985	75,594,423	(50,905,814)

	No. of Com. Shares +	Earn. per Share +
1989	10,878,529	$ 0.01
1988	10,184,179	0.31
1987	9,990,481	0.54
1986	9,990,481	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reorganization.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 6,551,000	$ 0.60
1988	5,300,000	0.52
1987	(44,369,000)	—
1986	(49,808,907)	—
1985	2,397,596	—

(Deficiency)
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reorganization.

Income Account *

Year ended April 30	1989	1988
Net sales	$ 48,495,000	$ 39,801,000
Cost of sales	30,546,000	22,916,000
Expenses	15,232,000	14,831,000
Interest expense	1,958,000	821,000
Interest income	(512,000)	(674,000)
Prov. for unusual items	421,000	(952,000)
For. curr. trans.	404,000	(363,000)
Income before taxes	$ 446,000	$ 3,222,000
Income taxes	309,000	61,000
Net Income	$ 137,000	$ 3,161,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,568,000 in 1989 and $1,199,000 in 1988.

Assets

As of April 30	1989	1988
Cash & cash equiv.	$ 8,277,000	$ 3,017,000
Receiv., net	9,505,000	8,668,000
* Inventories	7,184,000	10,971,000
Other curr. assets	515,000	599,000
Current Assets	$ 25,481,000	$ 23,255,000
# Fixed assets	8,249,000	7,963,000
Other assets	168,000	429,000
Total Assets	$ 33,898,000	$ 31,647,000

Liabilities

Long-term debt, curr.	$ 625,000	$ 485,000
Accts. payable	4,175,000	2,065,000
Warranty reserve	437,000	809,000
Accrued payroll	940,000	1,425,000
Accrued reorganization	667,000	959,000
Other accruals	2,422,000	1,568,000
Curr. Liabilities	$ 9,266,000	$ 7,311,000
Long-term debt	18,045,000	18,845,000
Deferred inc. taxes	36,000	191,000
+ Common stock	97,000	91,000
Add. paid-in capital	5,941,000	4,888,000
Retained earnings	949,000	812,000
Unearned emp. compensation	(436,000)	(491,000)
Total Liabilities & Shareholders' Equity	$ 33,898,000	$ 31,647,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.92	8.10
% Net Income to Sales	0.28	7.94
% Net Income to Equity	2.09	59.64
Sales to Inventories	6.75	3.63
Debt to Equity	2.85	3.65
Working Capital	$ 16,215,000	$ 15,944,000
Current Ratio	2.75	3.18
Shareholders' Equity	$ 6,551,000	$ 5,300,000

Textron Inc.

40 Westminster Street
Providence, Rhode Island 02903
(401) 421-2800
FAX: (401) 421-2878

Officers: B. F. Dolan, chairman, president & chief executive officer; James F. Hardymon, pres. & chief operating officer; Richard A. McWhirter, sr. v.p.-insurance & environmental affairs; Charles F. Chapin, group v.p.; George H. Hartmann, group v.p.; Quentin G. Achuff, sr. v.p.-fastener operations; Robert D. Batting, group v.p.; Gary E. Atwell, group v.p.; Frank Gulden, group v.p.; Derek Plummer, group v.p.; Maurice G. Wilkins, Jr., exec. v.p.-corp. development; Edward O. Handy, Jr., v.p. & secretary; Thomas D. Soutter, executive v.p. & general counsel; Raymond W. Caine, Jr., v.p.-corporate communications; Gregory E. Hudson, v.p.-taxes; John L. Morse, v.p.-risk management/insurance; Richard A. Watson, v.p. & pres.-TIMCO; Dennis G. Little, exec. v.p. & chief financial officer; William F. Wayland, exec. v.p.-human resources; Robert B. Clendenen, v.p.-internal audit & business ethics; Brian T. Downing, v.p. & treasurer; Arnold M. Friedman, v.p. & deputy general counsel; William P. Janovitz, v.p. & controller; Mary L. Howell, v.p.-government affairs; Cecil W. Labhart, v.p.-info. systems services; Lorna E. Long, v.p.-human resources development & administration; Willard R. Gallagher, v.p.-int'l..

Directors: James R. Martin, Sam F. Segnar, Martin D. Walker, Robert P. Straetz, Webb C. Hayes, III, Barbara Scott Preiskel, Jean Head Sisco, Howard R. Swearer, B. F. Dolan, John J. Schmidt, J. Paul Sticht, Joseph R. Carter, R. Stuart Dickson, William M. Ellinghaus, James F. Hardymon.

Areas of Work: A multi-industry company with operations in three business sectors: aerospace technology, commercial products, and financial services.

Divisions and Subsidiaries:

AEROSPACE TECHNOLOGY

Textron Lycoming
550 South Main Street
Stratford, Connecticut 06497
(203) 385-2000
Manufactures gas turbine engines for the military.

Textron Aerostructures
P.O. Box 210
Nashville, Tennessee 37202
(615) 361-2000
A major subcontractor to the aerospace industry Principal products are wings and tail sections for military aircraft.

Textron Specialty Materials
Two Industrial Avenue
Lowell, Massachusetts 01851
(617) 452-8961
Develops and manufactures advanced composite materials and components, particularly for high-temperature use.

Textron Defense Systems
201 Lowell Street
Wilmington, Massachusetts 01887
(617) 657-5111
Develops and produces advanced technology weapon systems for the U.S. Department of Defense. Products include the reentry system and the Mark 21 reentry vehicle and fuze for the Peacekeeper missile.

Bell Aerospace Textron
P.O. Box One
Buffalo, New York 14240
(716) 297-1000
Rocket engines, communications and air cushion systems, aircraft landing systems, missile and spacecraft propulsion systems, rocket propellant tanks, inertial navigation instruments, gravity sensing systems, air cushion vehicles and surface effect ships.

Bell Helicopter Textron, Inc.
P.O. Box 482
Fort Worth, Texas 76101
(817) 280-2011
Military and commercial helicopters and vertical lift aircraft, systems integration, spare parts.

HR Textron Inc.
25200 West Rye Canyon Road
Valencia, California 91355
(805) 259-4030
System studies and analyses, flight control actuators, servovalve controls, cryogenic coolers, filters, automatic test equipment and product support.

Aircraft Engine Components
P.O. Box 11906
Netington, Connecticut 06111
(203) 666-4601
Manufactures to customer design, gas turbine engine components such as discs, hubs, cases, frames and precision gears for engine producers and the spare market.

Greenlee Textron
4455 Boeing Drive
Rockford, Illinois 61109
(815) 397-7070

Airfoil Textron
P.O. Box 4427
Lima, Ohio 45802
(419) 226-2900
Produces titanium and superalloy compressor components, both forgings and finished parts, for the domestic and international gas turbine industry.

Fuel Systems Textron
700 North Centennial
Zeeland, Michigan 49464
(616) 772-9171
Major products are fuel nozzles, manifolds and augmentors for military and commercial customers.

Cadillac Gage Textron
P.O. Box 1027
Warren, Michigan 48090
(313) 777-7100
Produces lightweight armored combat vehicles, turrets and weapon/turret control and stabilization systems.

Textron Marine Systems
6800 Plaza Drive
New Orleans, Louisiana 70127
(504) 245-6600
Produces air cushion vehicles and surface effect ships, principally for the U.S. Department of Defense.

COMMERCIAL PRODUCTS

North American Machine Tool
P.O. Box 700
Walled Lake, Michigan 48088
(313) 624-7800
Designs and manufacture of proprietary production machine tools, components and systems for the automotive, applicance, aerospace, bearing off-highway and plastic components industries.

Davidson Exterior Trim Textron
Route 6, Box 10
Americus, Georgia 31709
(919) 924-6111
Manufactures and supplies exterior trim parts, principally fascia and body moldings, to manufacturers of cars and light trucks.

Davidson Instrument Panel Textron
875 Greenland Road
Building C
Portsmouth, New Hampshire 03801
(603) 433-4142
Develops, manufactures and markets high technology plastic instrument panels to car and light truck producers.

Davidson Interior Trim Textron
Industrial Park
Dover, New Hampshire 03820
(603) 742-0720
Designs, engineers, manufactures and markets polymer-based trim components for automobiles and light trucks.

McCord Winn Textron
620 Washington Street
Winchester, Massachusetts 01890
(617) 729-4400
Manufactures electro-mechanical components for automobile and light truck producers.

CWC Castings
1085 West Sherman
Muskegon, Michigan 49441
(616) 733-1331
Iron castings for engine blocks, camshafts, cylinder heads, gears, manifolds, housings, transmission cases and other ferrous casting applications.

Randall
P.O. Box 46334
Cincinnati, Ohio 45246
(513) 896-9400
Manufactures metal and plastic parts and trim used in the automotive and appliance industries.

Speidel
70 Ship Street
Providence, Rhode Island 02903
(401) 421-8600
Watchbands, identification bracelets, analog quartz watches, jewelry, men's toiletries, and women's fragrances.

Camcar
600 18th Avenue
Rockford, Illinois 61104
(815) 961-5000
Cold-formed metal parts, proprietary and special fasteners for aerospace, automotive, railroad, and appliance industries.

Cherry
1224 East Warner Avenue
P.O. Box 2157
Santa Ana, California 92707
(714) 545-5511
Proprietary fastening systems for aerospace and commercial applications, locknut products and installation tools.

Townsend
5250-77 Center Drive
Suite 300
Charlotte, North Carolina 28217
(704) 525-8003
Special fasteners and cold-formed metal parts for aerospace, automotive, railroad, metal working, industrial construction industries and fastening systems.

Homelite
14401 Carowinds Boulevard
P.O. Box 7047
Charlotte, North Carolina 28241
(704) 588-3200
Chain saws, string trimmers, generators blowers, heaters, and pumps.

Jacobsen
1721 Packard Avenue
Racine, Wisconsin 53403
(414) 637-6711
Lawn mowers, snow throwers, lawn and garden tractors; commercial turf maintenance equipment.

E-Z-Go
P.O. Box 388
Augusta, Georgia 30913
(404) 798-4311
Produces gas and electric golf cars and utility vehicles.

FINANCIAL SERVICES

Textron Financial Corporation
P.O. Box 6687
Providence, Rhode Island 02940
(401) 272-8000
Financing and leasing programs to Textron Divisions to facilitate sale of their products.

Avco Financial Services
P.O. Box 19701
Irvine, California 92713
(714) 553-1200
Consumer finance.

Avco Insurance Services/Balboa Life and Casualty
P.O. Box 19702
Irvine, California 92713
(714) 553-0700
Collateral protection, credit life, disability and property casualty insurance.

Paul Revere Insurance Group
18 Chestnut Street
Worcester, Massachusetts 01608
(617) 799-4441
Principal product is individual noncancellable disability income insurance.

Avdel plc
England
Manufactures fasteners.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TXT

Number of Employees:

1989	58,000	1986	72,000
1988	60,000	1985	56,000
1987	61,000		

Plant Footage:

1989 ..... 25,000,000 sq. ft. 1987 20,500,000
1988 25,000,000

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1989	$ 5,272,500	$ 259,200
1988	5,342,700	234,400
1987	5,388,400	256,300
1986	4,688,100	239,200
1985	3,732,900	251,800

	No. of Com. Shares #	Earn. per Share †#
1989	88,999,000	$ 2.91
1988	87,910,000	2.67
1987	87,733,000	2.92
1986	82,564,000	2.90
1985	74,636,000	3.37

+ Of continuing operations only.
† Including extraordinary gain of $16,400,000 ($0.22 per share) in 1985 and extraordinary losses of $9,500,000 ($0.11 per share) in 1989, $37,700,000 ($0.43 per share) in 1988, $32,600,000 ($0.37 per share) in 1987 and $6,700,000 ($0.08 per share) in 1986.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Aerospace technology:		
Helicopters	$ 1,078,500	$ 1,271,900
Propulsion	1,331,200	1,308,400
Systems	971,000	1,028,000
Commercial products	1,891,800	1,734,400
Total	$ 5,272,500	$ 5,342,700

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.000	—	—
1988	1.000	—	
1987	0.975	—	2-for-1
1986	0.900	—	—
1985	0.900	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 2,512,725,000	$ 28.24
1988	2,345,950,000	27.60
1987	2,262,235,000	5.39
1986	1,781,455,000	22.38
1985	1,555,095,000	19.94

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 5,272,500	$ 5,342,700
Interest & other charges	1,007,800	891,700
Insurance premiums	836,300	750,800
Interest income	323,500	300,300
Total income	$ 7,440,100	$ 7,285,500

Cost of sales	4,155,600	4,278,700
Expenses	1,299,700	1,190,400
Interest expense	733,100	601,900
Prov. for losses on finance receiv.	89,600	85,000
Insurance benefits	636,000	589,300
Amort. of insur. policy acq. costs	115,800	106,900
Income before taxes	$ 410,300	$ 433,300
Income taxes	141,600	161,200
Net Income	$ 268,700	$ 272,100
Extraord. loss	(9,500)	(37,700)
Net Income & extraord. loss	$ 259,200	$ 234,400

* Included in Costs and Expenses, Depreciation and Amortization: $214,300,000 in 1989 and $204,700,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash	$ 29,300	$ 16,000
Investments	3,079,600	2,879,400
Accts. receiv., net	5,988,300	5,428,200
*Inventories	1,320,800	1,231,700
#Fixed assets	1,011,300	960,300
Unamort. insur. policy acq. costs	509,800	443,100
Goodwill	1,083,300	1,116,400
Other assets	768,000	479,000
Total Assets	$ 13,790,400	$ 12,554,100

Liabilities
(000's)

Accts. payable	$ 503,500	$ 516,600
Income taxes	350,600	313,800
Accruals	1,207,500	1,126,600
Insur. reserves & claims	2,564,400	2,344,400
Long-term debt	6,617,300	5,867,800
+Preferred stock:		
$2.08 Cum. conv.	13,500	15,300
$1.40 Convertible	8,200	8,400
++Common stock	11,300	11,300
Add. paid-in capital	644,000	626,300
Retained earnings	1,989,200	1,819,400
Unearned comp. - ESOP	(93,000)	—
For. curr. trans. adjust.	23,300	40,300
Treasury stock	(49,400)	(136,100)
Total Liabilities & Shareholders' Equity	$ 13,790,400	$ 12,554,100

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ No par value.
++ $0.125 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.78	8.11
% Net Income to Sales	5.10	5.09
% Net Income to Equity	10.55	11.41
Sales to Inventories	3.99	4.34
Debt to Equity	2.60	2.46
Shareholders' Equity	$ 2,547,100,000	$ 2,384,900,000

Thermedics Inc.

(The Company is a 62%-owned subsidiary of Thermo Electron Corporation)

470 Wildwood Street
P.O. Box 2999
Woburn, Massachusetts 01888
(617) 622-1111

Officers: Firooz Rufeh, chairman of the board; John W. Wood, Jr., president; Victor L. Poirier, sr. v.p.; John N. Hatsopoulos, v.p. & chief financial officer; Daniel L. Brown, v.p.; David. H. Fine, v.p.; Freeman W. Fraim, v.p.; Paul F. Kelleher, chief accounting officer; Theo Melas-Kyriazi, treasurer; Paul F. Ferrari, clerk.

Directors: Firooz Rufeh, chairman; John W. Wood, Jr., Peter O. Crisp, George N. Hatsopoulos, Robert C. Howard, Nicholas T. Zervas.

Areas of Work: The Company's principal businesses are the development, manufacture, and sale of biomedical products, analytical instruments used to detect nitrogen-based compounds, and ventricular-assist devices; and sponsored research. Principal customers are government agencies and manufacturers of medical products.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Mail Stop: 45-02-09
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: TMD

Number of Employees

1989 316

Plant Footage

1989 . . . . 137,000 sq. ft.

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 23,484,000	$ 2,072,000
1988	25,360,000	1,620,000
1987	20,103,000	1,216,000
1986	15,848,000	(596,000)
1985	5,608,000	(615,000)

	No. of Com. Shares +	Earn. per Share ‡ +
1989	17,283,000	$ 0.12
1988	16,669,000	0.10
1987	15,710,000	0.08

(Loss)
‡ Including extraordinary gains of $317,000 ($0.02 per share) in 1988 and $231,000 ($0.02 per share) in 1987.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Instruments & biomed prods.	$ 17,237,000	$ 17,660,000
Sponsored research	6,247,000	7,700,000
Total	$ 23,484,000	$ 25,360,000

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 53,505,000	$ 3.10
1988	42,561,000	2.55
1987	36,424,000	2.32
1986	24,670,000	—
1985	10,401,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	12/30/89	12/31/88
Revenues	$ 23,484,000	$ 25,360,000
Cost of revenues	16,042,000	16,765,000
Expenses	8,474,000	7,398,000
Interest expense	236,000	449,000
Interest income	(3,569,000)	(1,825,000)
Other income	(1,278,000)	(34,000)
Income before taxes	$ 3,579,000	$ 2,607,000
Income taxes	1,507,000	1,304,000
Net Income	$ 2,072,000	$ 1,303,000
Extraord. gain	—	317,000
Net Income & extraord. gain	$ 2,072,000	$ 1,620,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,782,000 in 1989 and $1,609,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 24,332,000	$ 24,792,000
Short-term invest.	7,918,000	—
Accts. receiv., net	4,132,000	2,906,000
Unbilled contract costs	698,000	1,290,000
*Inventories	5,241,000	3,059,000
Prepaid expenses	128,000	212,000
Due from parent co.	32,000	—
Current Assets	$ 42,481,000	$ 32,259,000
Investments	13,903,000	—
#Fixed assets	3,650,000	3,682,000
Other assets	3,395,000	3,938,000
Cost in exc. of assets acq.	11,984,000	12,744,000
Total Assets	$ 75,413,000	$ 52,623,000

Liabilities

Accts. payable	$ 1,896,000	$ 1,803,000
Accrued payroll	908,000	828,000
Accrued interest	—	276,000
Other accruals	989,000	357,000
Due to parent co.	—	50,000
Current Liabilities	$ 3,793,000	$ 3,314,000
Long-term debt	3,000,000	6,722,000
Other deferred items	179,000	26,000
+Common stock	1,775,000	1,710,000
Add. paid-in capital	49,618,000	43,398,000
Retained earnings	2,480,000	1,016,000
Treasury stock	(368,000)	(3,563,000)
Total Liabilities & Shareholders' Equity	$ 75,413,000	$ 52,623,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	15.24	10.28
% Net Income to Revenues	8.82	5.14
% Net Income to Equity	3.87	3.06
Debt to Equity	0.06	0.16
Working Capital	$ 38,688,000	$ 28,945,000
Current Ratio	11.20	9.73
Shareholders Equity	$ 53,505,000	$ 42,561,000

Thermo Electron Corporation

101 First Avenue
P.O. Box 9046
Waltham, Massachusetts 02254-9046
(617) 890-8700
FAX: (617) 622-1207

Thermo Electron Corporation

Officers: George N. Hatsopoulos, president & chief executive officer; John N. Hatsopoulos, exec. v.p. and chief financial officer; Robert C. Howard, exec. v.p.; Peter G. Pantazelos, exec. v.p.; Walter J. Bornhorst, sr. v.p.; Arvin H. Smith, sr. v.p.; Paul F. Ferrari, v.p. & secretary; Jerry P. Davis, vice president; Firooz Rufeh, vice president; John P. Appleton, vice president; Marshall J. Armstrong, vice president; William A. Rainville, vice president; Paul F. Kelleher, v.p.-finance; William O. Flannery, v.p.-administration & general counsel; Theo Melas-Kyriazi, treasurer.

Directors: George N. Hatsopoulos, chairman; Robert A. McCabe, Donald E. Noble, Peter O. Crisp, Frank Jungers, Roger D. Wellington, Elias P. Gyftopoulos, John M. Albertine, Hutham S. Olayan, Frank E. Morris.

Areas of Work: The Company's principal businesses are: providing custom-engineered cogeneration power plants, resource recovery systems, and packaged cogeneration systems; environmental-monitoring, nuclear radiation-monitoring, and analytical instruments; thermal processing furnaces, web material process systems, and electroplating equipment; biomedical materials and products and explosives- and drug-detectors; metallurgical heat-treating and special metal fabrication services, analytical laboratory services for hazardous chemicals and nuclear health phylsics services, and environmental sciences, civil engineering, and water management services; and research and development services.

Thermo Environmental Corporation (85%-owned)
Nuclear health physics, hazardous waste management, water management and civil engineering, environmental consulting and monitoring, and industrial hygiene.

Tecogen Inc. (78%-owned)
Packaged cogeneration equipment, gas-fired commercial cooling systems, and cogeneration operating and maintenance services.

Thermo Instrument Systems Inc. (81%-owned)
Environmental/pollution instruments, specialty process controls, nuclear radiation monitors, and analytical instruments.

Thermo Process Systems Inc. (89%-owned)
Metallurgical heat-treating systems, hazardous waste incinerators, and aerospace/defense heat-treating services.

Thermedics Inc. (65%-owned)
Biocompatible polymers, wound dressing products, percutaneous access devices, enteral feeding products, instruments and detectors.

Thermo Cardiosystems Inc.
(59%-owned by Thermedics Inc.)
Manufactures implantable heart-assist devices.

Instruments Division

Environmental Instruments
108 South Street
Hopkinton, Massachusetts 01748

Analytical Instruments
101 First Avenue
P.O. Box 2108
Santa Fe, New Mexico 87501

Eberline
Airport Road
P.O.Box 2108
Santa Fe, New Mexico 87501

Air Monitoring
2015 Bellaire Avenue
Royal Oak, Michigan 48067

Environmental Analysis Laboratory
2030 Wight Avenue
Richmond, California 94804

Thermo Electron Limited
Woolborough Lane
Crawley, West Sussex RH10 2AQ England

Thermo Electron Nippon Co., Ltd.
3-5-11 Minami-Nakaburi
Hiakaba, Osaka, Japan

Van Hengel Instruments B.V.
Heerbaan 220
Breda, The Netherlands

Van Hengel Instrumente GmbH
Baiertalerstrasse 24-26
6908 Wiesloch, West Germany

Energy Systems Division
Research, development and manufacturing programs related to the conversion of energy and the generation of power.

Energy Systems
101 First Avenue
P.O. Box 459
Waltham, Massachusetts 02254

Crusader Engines
7100 East 15 Mile Road
Sterling Heights, Michigan 48077

Metallurgical Equipment Division
Designs, develops, manufactures and markets controlled atmosphere furnaces and associated equipment for industrial heat-treating processes.

Loftus
5 Gateway Center
Pittsburgh, Pennsylvania 15222

Holcroft
12068 Market Street
Livonia, Michigan 48150
(313) 261-8410

Holcroft & Company (Canada) Ltd.
94 Bessemer Court
London, Ontario N6E 1K Canada

NAPCO, Inc.
NAPCO Drive
P.O. Box 26
Terryville, Connecticut 06786

Metallurgical Services Division
Develops and manufactures medical prosthetic devices and fabricate high performance metal alloy components.

SCAT DIVISION
2829 East Washington Boulevard
Los Angeles, California 90023

Metal Treating Division
1575 West Pierce Street
Milwaukee, Wisconsin 52304

Cal-Doran Division
2830 East Washington Boulevard
Los Angeles, California 90023

TEMS Division
411 Jackson Hill Street
Houston, Texas 77007

Perfection Heat Treating Division
24200 Plymouth Road
Detroit, Michigan 48239

Metallurgical, Inc.
900 East Hennepin Avenue
Minneapolis, Minnesota 55414

Metals Division
115 Eames Street
Wilmington, Massachusetts 01887

R & D New Business Division
45 First Avenue
P.O. Box 02264
Waltham, Massachusetts 02254

National Nuclear Corporation
Manufacturer of highly sensitive devices for monitoring the presence of low-level radioactive materials.

Acquisition:

LDC
Riviera Beach, Florida
Manufactures and sells liquid and chromatography analytical instruments.

Transfer Agent(s):

The First National Bank of Boston
Capital Markets Technologies/Shareholder Services
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: TMO

Sales & Earnings

	Net Sales ‡	Net Income
12/30/89	$ 578,975,000	$ 24,605,000
12/31/88	500,604,000	20,148,000
1/2/88	383,383,000	18,110,000
1/3/87	331,600,000	14,320,000
12/28/85	265,668,000	9,614,000

	No. of Com. Shares +	Earn. per Share +
12/30/89	18,252,000	$ 1.35
12/31/88	17,528,000	1.15
1/2/88	18,049,000	1.00
1/3/87	17,266,000	0.83
12/28/85	14,259,000	0.67

‡ Includes other income.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	12/30/89	12/31/88
Cogeneration systems	$ 201,863	$ 167,867
Instruments	128,124	101,832
Process equipment	110,603	101,615
Biomedical prods.	23,484	25,360
Services	99,164	91,997
Thermo technologies	21,313	14,153
Interseg. eliminations	(5,576)	(2,220)
Total	$ 578,975	$ 500,604

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/30/89	—	—	—
12/31/88	—	—	
1/2/88	—	—	—
1/3/87	—	—	3-for-2
12/28/85	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
12/30/89	$ 210,556,000	$ 11.54
12/31/88	181,509,000	10.36
1/2/88	161,808,000	8.96
1/3/87	145,767,000	8.44
12/28/85	101,638,000	7.13

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	12/30/89	12/31/88
Net sales & revenues	$ 451,338	$ 378,490
Service revenues	96,702	91,997
Rev. from res. & develop. cont.	30,935	30,117
Total income	$ 578,975	$ 500,604

Cost of sales	396,848	336,754
Expenses	162,239	143,711
Restruc. costs	2,175	930
Royalty income	(1,441)	(1,029)
Interest income	(13,614)	(9,243)
Interest expense	11,610	10,227
Gain on issu. of subsid stock	(16,785)	(6,026)
Eq. in loss-unconsol. subsid.	3,263	1,198
Other income	(2,763)	(5,393)
Income before taxes	$ 37,443	$ 29,475
Income taxes	9,573	7,325
Minority interest	3,265	2,002
Net Income	$ 24,605	$ 20,148

• Included in Costs and Expenses, Depreciation and Amortization: $12,740,000 in 1989 and $11,115,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 93,870	$ 54,944
Short-term invest.	115,745	81,445
Accts. receiv., net	98,094	96,010
Unbilled contract costs & fees	33,333	33,016
•Inventories	69,683	61,432
Prepaid expenses	5,214	4,390
Current Assets	$ 415,939	$ 331,237
#Fixed assets	76,496	64,436
Other assets	63,016	34,277
Intangibles	68,188	60,159
Total Assets	$ 623,639	$ 490,109

Liabilities
(000's)

Notes payable	$ 27,497	$ 10,238
Accts. payable	47,649	60,082
Billings in exc. of contract costs	11,233	12,832
Accrued payroll	19,326	16,150
Other accruals	47,749	23,838
Curr. Liabilities	$ 153,454	$ 123,140
Long-term debt	172,130	148,485
Deferred inc. taxes	2,997	4,827
Other deferred items	19,784	9,766
Minority interest	51,616	22,382
Redeem. subsid. common stock	13,102	—
+Common stock	18,207	17,801
Add. paid-in capital	70,802	67,133
Retained earnings	131,090	106,940
Treasury stock	(1,556)	(4,890)
Cum. trans. adjust.	(636)	1,328
Deferred comp.	(7,351)	(6,803)
Total Liabilities & Shareholders' Equity	$ 623,639	$ 490,109

• At lower of cost (FIFO or weighted average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes Revenues	6.47	5.89
%Net Income to Revenues	4.25	4.02
%Net Income to Equity	11.69	11.10
Debt to Equity	0.95	0.87
Working Capital	$ 262,485,000	$ 208,097,000
Current Ratio	2.71	2.69
Shareholders' Equity	$ 210,556,000	$ 181,509,000

Thiokol Corporation

(formerly Morton Thiokol, Inc.)

2475 Washington Blvd.
Ogden, Utah 84401
(801) 629-2000
FAX: (801) 629-2420

Officers: Robert T. Marsh, chairman of the board; U. Edwin Garrison, group v.p.-aerospace; Robert E. Lindstrom, v.p.-space operations; Hugh B. Chare, v.p.-strategic operations; Luther C. Johnson, v.p.-Tactical operations; Philip R. Dykstra, v.p.-strategic planning; Darryl J. Lee, v.p. & asst. general counsel; Royce W. Searle, v.p. & controller; James R. Wilson, v.p. & chief financial officer; P. Michael Phelps, secretary; James F. McNulty, v.p.-human resources; Samuel E. George, treasurer.

Directors: Charles S. Locke, chairman of the board; U. Edwin Garrison, Robert T. Marsh, Barry J. Shillito, Joseph A. Rice, Harry H. Wetzel.

Areas of Work: Manufacturer and marketer of high technology solid propulsion systems, ordnance and composite products for space and defense. The Company operates in three business segments: aerospace, specialty chemicals, and salt.

The aerospace segment consists of propulsion and ordnance products and services performed principally under contracts and subcontracts with various U.S. government agencies and aerospace prime contractors. Propulsion includes research, development, and production of solid propellant rocket motors systems for space vehicles, such as the Space Shuttle (booster motors); to position satellites in orbit; for strategic missiles, such as the Trident (submarine launched) and Peacekeeper; and for tactical missiles, such as the Maverick, Sidewinder and HARM.

This propulsion technology has also been applied in the manufacture of gas generators for use in automobile passive restraint systems. Ordnance includes the development and production of air-dropped flares, ground-launched flares, munitions simulators for training, and conventional artillery munitions. Services include launch and recovery operations for the Space Shuttle.

The specialty chemical segment manufactures high technology chemical products for a wide variety of customer applications. The largest product group consists of laminating adhesives and coatings designed primarily for use in the manufacture of food packaging materials from paper, film and foil. The second largest group consists of chemicals for the electronics market, including principally dry film photoresists and curable screen resists used as part of a process to imprint patterns onto printed circuit boards and semiconductors (silicon chips).

The salt segment produces and sells salt principally in the U.S. and Canada under the MORTON and WINDSOR trademarks, for human and animal consumption, water conditioning, and highway ice melting, as well as for industrial and chemical uses.

Aerospace Divisions and Subsidiaries:

Aerospace Group
2475 Washington Boulevard
Ogden, Utah 84401

Elkton Division
P.O. Box 241
Elkton, Maryland 21921

Huntsville Division
Huntsville, Alabama 35807-7501

Longhorn Division
P.O. Box 1149
Marshall, Texas 75671

Louisiana Division
P.O. Box 30058
Shreveport, Louisiana 71130

Omneco, Inc.
909 Industrial Park Drive
Carson City, Nevada 89701

Space Operations
P.O. Box 707
Brigham City, Utah 84302-0689

Strategic Operations
P.O. Box 689
Brigham City, Utah 84302-0689

Utah Tactical Division
P.O. Box 487
Brigham City, Utah 84302-0487

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest

Ticker Symbol: MTI

Number of Employees:

1989	12,100	1986	10,200
1988	12,600	1985	10,100
1987	11,900		

Sales & Earnings x

	Net Sales	Net Income
1989	$ 1,167,800,000	$ 17,700,000
1988	1,068,100,000	32,700,000
1987	893,400,000	33,000,000
1986	926,600,000	43,100,000
1985	862,500,000	41,000,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	19,157,000	$ 0.92
1988	19,141,000	1.71
1987	19,058,000	1.73
1986	18,969,000	2.27
1985	19,674,000	2.08

x The historical financial statements of Morton Thiokol, Inc. have been retroactively restated to disaggregate the separate financial statements of Morton International, Inc. and Thiokol Corporation to present their financial positions, results of operations and cash flows as if they were separate entities operating on a stand-alone basis for all periods presented. The consolidated financial statements of Thiokol Corporation include the assets, liabilties, revenues and expenses of the Aerospace Group of Morton Thiokol, Inc.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 2.24	—	2-for-5
1988	2.03	—	
1987	1.85	—	—
1986	1.70	—	—
1985	1.56	—	—

+ Adjusted to reflect reverse stock split.

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 237,800,000	$ 12.41
1988	275,200,000	14.46
1987	263,200,000	13.92
1986	297,100,000	15.74
1985	194,800,000	10.35

x Restated.
‡ Adjusted to reflect reverse stock split.

Income Account *
(000's)

Year ended	1989	1988‡
Net sales	$ 1,167,800	$ 1,068,100
Other income	1,800	2,500
Total income	$ 1,169,600	$ 1,070,600

Cost of sales		1,056,900		953,400
Expenses		34,700		33,600
Interest expense		21,400		15,100
Reorganization charges		18,900		—
Income before taxes	$	37,700	$	38,500
Income taxes		20,000		25,500
Cum. effect of acct. change		—		(10,300)
Net Income	$	17,700	$	32,700

‡ Restated.
* Included in Costs and Expenses. Depreciation and Amortization: $43,600,000 in 1989 and $36,300,000 in 1988.

Assets
(000's)

As of June 30		1989		1988‡
Cash & cash equiv	$	15,000	$	5,800
Receivables		226,500		241,200
Refund. inc. taxes		14,600		—
*Inventories		120,700		136,600
Prepaid expenses		900		800
Current Assets	$	377,700	$	384,400
#Fixed assets		275,000		281,700
Cost in exc. of assets acq		63,500		65,300
Other assets		12,900		9,900
Total Assets	$	729,100	$	741,300

Liabilities
(000's)

Notes payable & long-term debt, curr	$	—	$	63,300
Accts. payable		44,600		62,700
Accrued payroll		30,900		40,300
Other accruals		28,500		23,200
Income taxes		15,500		10,400
Curr. Liabilities	$	119,500	$	199,900
Long-term debt		220,000		125,900
Deferred inc. taxes		110,400		109,700
Other liabilities		41,400		30,600
+ Common stock		20,500		51,100
Add. paid-in capital		108,300		75,900
Retained earnings		187,500		234,100
Treasury stock		(78,500)		(85,900)
Total Liabilities & Shareholders' Equity	$	729,100	$	741,300

‡ Restated.
* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		3.23		6.41
%Net Income to Sales		1.52		3.06
%Net Income to Equity		7.44		11.88
Sales to Inventories		9.68		7.82
Debt to Equity		0.93		0.69
Working Capital	$	258,200,000	$	184,500,000
Current Ratio		3.16		1.92
Shareholders' Equity	$	237,800,000	$	275,200,000

Thomas & Betts Corporation

1001 Frontier Road
Bridgewater, New Jersey 08807
(201) 685-1600
FAX: (201) 707-2704

Officers: J. David Parkinson, chairman of the board; T. Kevin Dunnigan, president & chief executive officer; Ronald P. Babcock, v.p.-finance; Robert V. Berry, sr. v.p.; James D. Hay, v.p. & general counsel; Dominique Girault, pres.-european division; Ronald P. Babcock, v.p.-finance; John F. Walsh, v.p.-human resources; David M. Hunihan, v.p.-administration; Michael J. McBride, pres.-electrical division; James D. Oberlender, v.p.-marketing; Dominic J. Pileggi, pres.-electronics division; Reijo E. Salo, pres.-pacific division; J. W. Kearny Hibbard, treasurer; Janice H. Way, secretary.

Directors: J. David Parkinson, chairman; Ian M. Ross, William R. Hartman, Raymond B. Carey, Jr., Peter Cartmell, Hobart Betts, T. Kevin Dunnigan, Norma Maine Loeser, William H. Waltrip, William C. Hittinger, Robert H. McCaffrey, Ernest H. Drew.

Areas of Work: Engaged in the manufacture and marketing of connectors and accessory products for the electrical-electronic industry. Products include fittings and accessories for electrical raceways; crimp and mechanical connectors for small wires and power cables; wire fastening devices and markers, insulation products; fiber optic connectors; networking interconnection systems for voice and data communications; ceramic chip capacitors; and automotive interconnects. Engaged in the manufacture and marketing of connectors and accessory products for the electrical-electronic industry. Products include fittings and accessories for electrical raceways; crimp and mechanical connectors for small wires and power cables, wire fastening devices and markers, insulation products, fiber optic connectors; networking interconnection systems for voice and data communications; ceramic chip capacitors, flat cables, connectors and accessories for electronic applications.

Divisions and Subsidiaries:

T&B Construction & Industrial Marketing
1001 Frontier Road
Bridgewater, New Jersey 08807
(201) 685-1600

Thomas & Betts France, S.A.
57, Place de la Seine
Silic 120
94513 Rungis Cedex, France

Thomas & Betts GmbH
6072 Dreieich
Siemenstrasse 11, West Germany

Thomas & Betts S.p.A.
Via Archimede 19
Angolo P. de Labriola
20092 Cinisello Balsamo (Mi), Italy

Thomas & Betts International Inc.
Sedgwick Road
Luton LU4 9DT
Bedfordshire, England

Thomas & Betts Limited
Thomas & Betts Manufacturing, Ltd.
P.O. Box 30
700 Thomas Boulevard
Iberville, Quebec J2X 2M9, Canada

Thomas & Betts Pty. Limited
11 Inman Road, Dee Why West
N.S.W. P.O. Box 91
Brookvale 2100 N.S.W., Australia

T&B/Ansley Corporation
35 Elizabeth Avenue
Somerset, New Jersey

T&B Japan Ltd.
No. 32 Kowa Bldg.
2-32 Minami Azabu
Minato-Ku, Tokyo 106, Japan

Doylestown Manufacturing Corporation
Old Easton Road
Doylestown, Pennsylvania

Thomas & Betts Aktiebolag
Kanalvagen 1
S19461 Upplands Vasby, Sweden

Thomas & Betts de Mexico, S.A. de CV
Alberto J. Pani 165, Cto. Economistas
Cd. Satellite
Edo de Mexico, Mexico

Thomas & Betts Limited
Thomas & Betts Manufacturing Limited
England

Thomas & Betts (S.E. Asia) Pte. Ltd.
Unit 105, First Floor
Cideco Industrial Complex, 50 Genting Lane 1334
Singapore

Thomas & Betts Spain
Pallars, 65-71
Barcelona 18, Spain

Ouest Electronic Connecteurs
1 Place Honore de Balzac
Tour du Moulin Sarrazin 1
B.P. 38
95102 Argenteuil, Cedex, France

Excel Products Company
New Brunswick, New Jersey
Manufactures logic packaging panels, DIP Sockets, and back plane wiring components and systems.

Quelcor, Inc.
P.O. Box 33
Media, Pennsylvania 19063
Flame retardant products.

Vitramon, Incorporated
Route 25
Monroe, Connecticut 06468
(203) 268-6261
Manufactures monolithic ceramic capacitors for the electronics industry.

Nevada Western Supply Inc.
Commercial voice and data wiring systems.

EuraContact
West Germany
Manufactures two-piece connectors used in a wide range of electronic devices.

Acquisition:

Holmberg Electronics Corporation
Inman, South Carolina
Manufacturer of electronic connectors.

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3905
New York, New York 10008-3905

Stock Exchange(s): New York

Ticker Symbol: TNB

Number of Employees:

1989	5,000	1986	3,200
1988	4,700	1985	3,200
1987	4,200		

Plant Footage:

1989 . . . . . . 2,049,000 sq. ft. 1988 1,763,000

Sales & Earnings

		Net Sales		Net Income
1989	$	544,083,000	$	53,735,000
1988		514,634,000		58,650,000
1987		436,463,000		48,500,000
1986		385,801,000		40,215,000
1985		347,912,000		34,262,000

	No. of Com. Shares ‡		Earn. per Share ‡
1989	16,998,000	$	3.16
1988	16,953,000		3.46
1987	16,865,000		2.88
1986	16,747,000		2.40
1985	16,689,000		2.05

‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 1.96	—	—
1988	1.80	—	
1987	1.64	—	—
1986	1.48	—	—
1985	1.33	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 335,534,000	$ 19.72
1988	314,819,000	18.57
1987	288,577,000	17.07
1986	257,627,000	15.34
1985	234,969,000	14.08

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 544,083	$ 514,634
Cost of sales	307,568	274,574
Expenses:		
Mktng., gen., & adm.	130,905	129,309
Res. & develop.	18,350	17,531
Other expense	8,335	5,848
Income before taxes	$ 78,925	$ 87,372
Income taxes	25,190	28,722
Net Income	$ 53,735	$ 58,650

* Included in Costs and Expenses, Depreciation and Amortization: $28,633,000 in 1989 and $26,783,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 57,027	$ 44,352
Marketable securities	40,883	38,886
Accts. receiv., net	86,685	78,251
*Inventories	133,331	119,880
Deferred in. taxes	8,994	8,977
Prepaid expenses	9,126	7,265
Current Assets	$ 336,046	$ 297,611
#Fixed assets	188,747	165,630
Intangibles	33,642	22,265
Other assets	5,874	7,436
Total Assets	$ 564,309	$ 492,942

Liabilities
(000's)

	1989	1988
Notes payable	$ 86,448	$ 49,039
Long-term debt, curr.	960	1,203
Accts. payable	24,559	27,902
Accruals	25,954	24,501
Dividends payable	8,508	7,806
Income taxes	13,360	13,884
Curr. Liabilities	$ 159,789	$ 124,335
Long-term debt	57,579	40,590
Deferred inc. taxes	7,944	10,162
Other liabilities	3,463	3,036
+Common stock	8,542	8,536
Add. paid-in capital	25,735	27,335
Retained earnings	301,762	281,357
For. curr. translation adjustment	2,526	2,555
Treasury stock	(3,031)	(4,964)
Total Liabilities & Shareholders' Equity	$ 564,309	$ 492,942

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.51	16.98
%Net Income to Sales	9.88	11.40
%Net Income to Equity	16.01	18.63
Sales to Inventories	4.08	4.29
Debt to Equity	0.43	0.29
Working Capital	$ 176,257,000	$ 173,276,000
Current Ratio	2.10	2.39
Shareholders' Equity	$ 335,534,000	$ 314,819,000

Thomas French & Sons PLC

Sharston Road
Wythenshawe
Manchester M22 4TH, England
061-998 1811

Officers: T. J. French, chairman; H. R. J. Griffith, managing director; J. Slater, finance; P. J. Collins, managing director-Rufflette/InHome; G. N. Elliott, (non-executive); P. E. J. Held, (non-executive).

Areas of Work: The principal activities of the Company are the manufacture and sale of curtain styling products, together with products for the home improvement market; and the manufacture and sale of specialized electrical heating equipment and cables.

Subsidiaries (U.K.):

Rufflette Limited
Wythenshawe, Manchester

Rufflette (Export) Limited
Wythenshawe, Manchester

InHome Limited
Wythenshawe, Manchester

Curtain Styling Limited
Bury, Lancs

Thomas French and Sons (Electrical) Limited
Wythenshawe, Manchester

RegaLead Limited
Wythenshawe, Manchester

Inside Art and Design Limited
Bury, Lancs

Peerage Brassware Limited
Witton, Birmingham

Kaz Krafts Limited
Sutton-in-Ashfield, Notts

St. Aidans Pottery Limited
Tunstall, Staffs

LanBar Limited
Halesowen, West Midlands

Subsidiaries (outside U.K.):

Rufflette France S.A.R.L.
Verrieres Le Buisson
Paris, France

Rufflette Belgium S.A.
Brussels, Belgium

Peerage Pty Limited
Sydney, Australia

Thomas French and Sons (N.Z.) Limited
Auckland, New Zealand

Associated Companies:

Thomas French (Nigeria) Limited
(40% interest)
Lagos, Nigeria
Manufactures and distributes curtain styling and narrow fabric products.

Registrars:

Barclays Registrars Ltd

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1989	£ 21,178,000	£ 1,335,000
1988	23,923,000	746,000
1987*	27,246,000	408,000
1986	26,225,000	373,000
1985	26,832,000	178,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	11,628,634	11.48p
1988	11,626,036	6.42
1987*	11,625,259	5.60
1986	11,294,000	2.98
1985	N.A.	1.05

N.A. - Not Available.
* 53 weeks
£ - pound sterling
† Before minority interest and extraordinary items.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	3.6p	—	—
1988	3.0	—	
1987	2.9	—	—
1986	2.9	—	—
1985	2.9	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	£ 5,781,000	50p
1988	7,557,000	65
1987	5,502,000	47
1986	5,201,000	45
1985	6,564,000	58

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended		9/30/89		10/1/88
Net sales	£	21,178,000	£	23,923,000
Cost of sales		12,363,000		14,017,000
Distribution costs		2,652,000		4,251,000
Adm. expenses		4,283,000		4,147,000
Oper. income		(60,000)		(180,000)
Interest expense		476,000		457,000
Interest income		(477,000)		(150,000)
Share of losses (profits) of assoc. cos.		(12,000)		12,000
Exceptional item		(87,000)		(122,000)
Income before taxes	£	2,040,000	£	1,491,000
Income taxes		70[illegible]00		745,000
Net Income	£	1,335,000	£	746,000
Extraord. items		(274,000)		746,000
Net Income & extraord. items	£	1,061,000	£	1,492,000

* Included in Costs and Expenses, Depreciation: £ 508,000 in 1989 and £ 608,000 in 1988.

Assets

As of		9/30/89		10/1/88
Cash	£	792,000	£	2,428,000
Accts. receiv., net		4,518,000		5,251,000
* Inventories		2,636,000		3,489,000
Current Assets	£	7,946,000	£	11,168,000
Investments		716,000		789,000
# Fixed assets		4,920,000		3,113,000
Total Assets	£	13,582,000	£	15,070,000

Liabilities

		9/30/89		10/1/88
Long-term debt, curr.	£	429,000	£	1,399,000
Other loans		—		224,000
Accts. payable		1,681,000		2,533,000
Other payables		739,000		271,000
Income taxes		869,000		136,000
Other taxes		389,000		545,000
Accruals		959,000		1,174,000
Proposed dividend		254,000		211,000
Curr. Liabilities	£	5,320,000	£	6,493,000
Long-term debt		900,000		600,000
Other loans		1,513,000		52,000
Income taxes		—		274,000
Deferred inc. taxes		68,000		94,000
+ Common stock		1,163,000		1,163,000
Revaluation reserve		1,009,000		1,009,000
Other reserves		78,000		78,000
Profit and loss acct.		5,931,000		5,307,000
Goodwill reserve		(2,400,000)		—
Total Liabilities & Shareholders' Equity	£	13,582,000	£	15,070,000

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ 10p par value.

Statistical Summary

		9/30/89		10/1/88
%Income bef. Taxes to Sales		9.63		6.23
%Net Income to Sales		6.30		-3.12
%Net Income to Equity		23.09		9.87
Sales to Inventories		8.03		6.86
Debt to Equity		0.23		0.30
Working Capital	£	2,626,000	£	4,675,000
Current Ratio		1.49		1.72
Shareholders' Equity	£	5,781,000	£	7,557,000

THORN EMI plc

4 Tenterden Street
Hanover Square
London W1A 2AY England
01-355 4848

Directors: Colin Southgate, chairman & chief executive; David Barnes, non-executive; James Maxmin, chairman & chief executive-Home Electronics; Tom Mayer, executive director; Michael Metcalf, finance director; Sir Ian Trethowan, non-executive; Bhaskar Menon, chairman-EMI Music Worldwide; Sir Michael Angus, non-executive; Sir Graham Day, non-executive; Sir Peter Walters, non-executive.

Corporate Management: R. Charlton, company secretary; S.J. Pandit, dir. Corp. development; K. W. Gray, technical; Colin Woodley, corp. communications; D. R. W. Young, personnel & organization development; B. T. Burford, purchasing; G. J. Cant, estates; K. W. Flack, insurance; R. A. A. Hurst, legal & patents; Charlotte Chambers, management development & training; G. G. Roberts, dir.-research; S. R. Bates, dir. central research labs.

Areas of Work: The Company's operations cover: Rental and Retail Music, Lighting, software and security.

Rental and Retail activities include the operation of Radio Rentals, all consumer electronics And other retail chains doing business in the U.K.; the Company also operates Rumbelows, a consumer electronics and appliance retail chain doing business in the U.K. under the Rumbelows and Hometech names; Overseas operations include THORN EMI International Rentals (which operates consumer electronics rental stores in 15 countries); FONA electronic retail stores and HMV music retailing outlets, which operate primarily in the U.K. and seven other countries.

The Company's Technology Group focuses on five major high-technology markets -- defense electronics, software, security, Principal products include radar integration systems, advanced ticket issuing systems, hand-held thermal imagers, man-portable surveillance and target-acquisition radar, data distribution systems for naval vessels, mortar location radar, electronic countermeasures systems, aircraft early warning radar, aircraft engine fire detection systems, fuzes for air-launched missiles, artillery shells, klystron tubes low light level sensing devices, fire and security protection equipment, information technology systems facility management and software for executive information systems, railway power conversion and industrial drive controls.

Music operations include the production of recorded music, music publishing, music videos, and the manufacture of compact discs.

Lighting products include high-pressure sodium lamps and fittings, incandescent and fluorescent lamps, miniature low-voltage tungsten halogen products for display markets, among others.

Divisions and Subsidiaries:

RENTAL AND RETAIL

THORN Home Electronics International Ltd.
Thorn EMI UK rental Ltd.
Rent-A-Center, Inc. (U.S.A.)
Radio Rentals Division
Rumbelows Ltd.
Radio Rentals Pty. Ltd. (Australia)
FONA A/S (Denmark)
HMV Group Ltd.

TECHNOLOGY

THORN EMI Technology Ltd
THORN Microwave Devices Ltd.
THORN EMI Software Ltd.
Thorn Security Limited
THORN EMI Datatech

MUSIC

EMI Music Ltd.
Capitol Industries - EMI Inc. U.S.A.)
Pathe Marconi EMI SA (France)
EMI Italiana SpA (Italy)
EMI Electrola GmbH (Germany)
EMI Music Australia

CONSUMER AND COMMERCIAL

THORN Lighting Ltd.
Kenwood Ltd.
Kenwood SA (France)
Sivi Illuminazione SpA (Italy) (51%-owned)
Holophane S.A. (France) (98.8% owned)
Associated Lighting Industries Division (Australia)
Europhane S.A. (France) 98.7% owned)
THORN Licht GmbH (Germany)
Jarnkonst AB (Sweden)

Associate Companies:

Thames Television PLC
(28.24% interest)
England

Toshiba-EMI Ltd.
(50% interest)
Japan

Registrars:

National Westminster Bank PLC
Registrar's Dept.
37 Broad Street
Bristol BS99 7NH, England

Stock Exchange(s): London

Number of Employees:

1989	65,000	1986	85,700
1988	66,630	1985	90,327
1987	74,321		

Sales & Earnings

	Net Sales +	Net Income †
1989	£3,290,600,000	£ 182,400,000
1988	3,054,000,000	137,500,000
1987	3,203,200,000	99,600,000
1986	3,316,500,000	61,400,000
1985	3,204,400,000	65,200,000

	No. of Com. Shares	Earn. per Share † ‡
1989	279,605,245	64.2p
1988	276,079,767	53.1
1987	217,666,115	43.9
1986	215,431,869	26.5
1985	N.A.	29.9

N.A. - Not Available.
£ - pound sterling.
+ Of continuing operations only.
† Before extraordinary items.
‡ Based on the weighted average number of common shars and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	27.0p	—	—
1988	22.0	—	
1987	18.5	—	—
1986	17.5	—	—
1985	17.5	—	—

Common Stock Equity

	Total Equity†	Equity Per Share
1989	£ 529,400,000	189.3p
1988	580,800,000	210.4
1987	566,100,000	260.1
1986	516,700,000	239.8

† After allowing for preferred stock at stated values.

Income Account *
(000's)

Year ended Mar. 31		1989		1988
Net sales	£	3,290,600	£	3,054,000
Cost of sales		2,694,900		2,539,400
Distribution costs		128,500		110,000
Adm. expenses		242,600		225,600
Oper. income		(72,000)		(44,700)
Share of profits of rel. cos.		(23,300)		(20,000)
Finance charges		30,800		18,400
Income before taxes	£	289,100	£	225,300

Income taxes		96,100		79,000
Minority interests		10,600		8,800
Net Income	£	182,400	£	137,500
Extraord. loss		(8,800)		(14,200)
Net Income & extraord. loss	£	173,600	£	123,300

* Included in Costs and Expenses, Depreciation: £ 334,900,000 in 1989 and £ 281,500,000 in 1988.

Assets
(000's)

As of Mar. 31		1989		1988
Cash	£	7[illegible],600	£	89,000
Investments		38,000		31,700
Accts. receiv., net		562,100		525,000
*Inventories		359,900		384,800
Current Assets	£	1,032,600	£	1,030,500
Investments		97,300		52,100
Net assets of fin. subsid.		27,100		17,900
#Fixed assets		1,085,400		933,000
Total Assets	£	2,242,400	£	2,033,500

Liabilities
(000's)

Long-term debt, curr.	£	175,800	£	57,700
Accts. payable		322,300		317,900
Other payables		139,100		140,100
Customer deposits		72,200		78,000
Royalties & fees payable		134,500		117,100
Amts. owed to rel. cos.		1,400		1,400
Accruals		91,900		75,600
Income taxes		68,500		48,600
Other taxes		58,700		66,600
Dividends		55,500		45,300
Curr. Liabilities	£	1,119,900	£	948,300
Long-term debt		101,600		121,400
Other payables		26,400		25,700
Minority interest		229,100		125,600
Deferred inc. taxes		34,800		26,200
Other liabilities		140,600		141,600
+7% preferred stock		60,600		63,400
++3.5% preferred stock		—		500
+++Common stock		69,600		69,000
Add. paid-in capital		15,900		290,200
Other reserves		90,700		10,400
Profit and loss acct.		353,200		211,200
Total Liabilities & Shareholders' Equity	$	2,242,400	£	2,033,500

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 7% convertible redeemable cumulative.
++ £ 1 par value; 3.5% cumulative.
+++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	8.79	7.38
%Net Income to Sales	5.54	4.50
%Net Income to Equity	30.92	21.33
Sales to Inventories	9.14	7.94
Debt to Equity	0.47	0.28
Working Capital	—	£ 82,200,000
Current Ratio	—	1.09
Shareholders' Equity	£ 590,000,000	£ 644,700,000

3Com Corporation

3165 Kifer Road
Santa Clara, California 95052-8145
(408) 562-6400
FAX: (408) 988-5147

Officers: L. William Krause, chairman, pres. & chief executive officer; Robert M. Metcalfe, v.p. & general mgr., distributed systems division; Howard S. Charney, secretary, sr. v.p. & gen. mgr. Hardware Products Division; Eric A. Benhamou, v.p. & gen. mgr.-software products division; John E. Marman, sr., v.p.-international division; Andrew W. Verhalen, v.p. & gen. mgr.-transmission systems division; Christopher B. Paisley, v.p.-finance & chief financial officer; Robert D. Bressler, v.p., corp. development & chief technical officer; Jerry A. Dusa, v.p.-U.S. sales; Leslie G. Denend. v.p. & gen mgr.-enterprise systems division; Stephen R. Rizzone, v.p. & gen. mgr.-customer service organization; Robert J. Finocchio, Jr., v.p.-sales, marketing & services; Mark D. Michael, general counsel & asst. secretary; James E. Eustice, treasurer.

Directors: L. William Krause, chairman; James L. Barksdale, Robert M. Metcalfe, Burton S. Goldberg, Jack L. Melchor, Robert J. Saldich, William F. Zuendt.

Areas of Work: Designs, manufactures, markets and supports workgroup computing systems for network-based, graphics-intensive applications.

Subsidiaries:

3Com Canada
One Valleywood Drive
Suite 100
Markham, Ontario L3R 5L9 Canada
(416) 477-7868

3Com France
27 Avenue de la Baltique
Local Postal 609
91945 Les Ulis CEDEX, France
33(1) 69078686

3Com (UK) Ltd.
Goswell House
134 Peascod Street
Windsor SL4 1DS England
44(753) 868190

3Com Italia
Via Michelangelo 1
20093 Cologno Monzese
Milano, Italia
39 (2) 2549741

3Com Nordic
Box 1110
16422 Kista
Sweden
46 (8) 7034870

3Com S.A.R.L.
Za de Courtaboeuf
15 Avenue de Quebec
Batiment Sternes #3
Local Quebec 516 91946 Les Ulis Cedex, France
33(1)69071693

3Com GmbH
Bahnhofstrasse 26
D-8036 Herrsching a.A B.R., Deutschland
(49) 8152-4936

3Com Australia
Level Six, 90 Mount Street
North Sydney, NSW 2060, Australia
61 (2)9593020

3Com Hong Kong, Ltd.
2802-2804 Admiralty Centre
Tower 1 18 Harcourt Road
Hong Kong
852 5 290 356

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COMS (NASDAQ)

Number of Employees:

1989	1,922	1986	372
1988	1,348	1985	274
1987	552		

Plant Footage:

1989	1,113,000 sq. ft.	1987	165,000
1988	N. A.		

N. A.- Not Available

Sales & Earnings

		Net Sales		Net Income
1989	$	385,857,000	$	34,310,000
1988		251,948,000		22,547,000
1987		155,856,000		16,211,000
1986		93,955,000		10,952,000
1985		59,566,000		5,552,000

	No. of Com. Shares		Earn. per Share ‡
1989	28,587,000	$	1.18
1988	27,530,000		0.79
1987	26,873,000		0.61
1986	25,163,000		0.44
1985	N.A.		0.25

N.A. - Not available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity		Equity Per Share
1989	205,821,000	$	7.20
1988	156,841,000		5.70
1987	122,736,000		4.57
1986	73,661,000		2.93
1985	37,779,000		—

Income Account *
(000's)

Year ended May 31		1989		1988
Net sales	$	385,857	$	251,948
Cost of sales		186,795		116,777
Expenses:				
Sales & marketing		89,825		60,344
Res. & develop.		38,377		23,418
Gen. & adm.		16,844		12,193
Other income		(226)		(3,127)
Income before taxes	$	54,242	$	38,910
Income taxes		19,932		16,363
Net Income	$	34,310	$	22,547

* Included in Costs and Expenses, Depreciation and Amortization: $16,737,000 in 1989 and $9,353,000 in 1988.

Assets
(000's)

As of May 31		1989		1988
Cash	$	14,192	$	21,496
Temporary cash invest.		28,937		39,161
Accts. receiv., net		73,537		53,200
*Inventories		60,141		44,194
Other curr. assets		11,593		5,988
Current Assets	$	188,400	$	164,039
#Fixed assets		39,191		26,671
Other assets		19,699		5,142
Total Assets	$	247,290	$	195,852

Liabilities
(000's)

Long-term debt, curr.	$ 1,286	$ 1,480
Accts. payable	13,467	15,143
Accrued payroll	7,559	5,590
Other accruals	11,527	9,480
Income taxes	2,560	2,673
Curr. Liabilities	$ 36,399	$ 34,366
Long-term debt	3,356	2,223
Deferred inc. taxes	1,714	2,422
+Common stock	116,191	100,034
Notes receiv. from stock sale	—	(30)
Retained earnings	90,660	56,350
Accum. trans. adjust.	(1,030)	487
Total Liabilities Shareholders' Equity	$ 247,290	$ 195,852

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	14.06	15.44
%Net Income to Sales	8.89	8.95
%Net Income to Equity	16.67	14.38
Sales to Inventories	6.42	5.70
Debt to Equity	0.02	0.02
Working Capital	$ 152,001,000	$ 129,673,000
Current Ratio	5.18	4.77
Shareholders' Equity	$ 205,821,000	$ 156,841,000

Number of Employees:

1989	1,168	1987	1,520
1988	2,159	1986	1,700

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 223,118,000	$ (69,825,000)
1988	255,299,000	(16,953,000)
1987	250,172,000	(10,648,000)
1986	298,154,000	(56,593,000)
1985	321,263,000	(77,889,,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	34,624,593	$ —
1988	34,596,593	—
1987	34,469,716	—
1986	36,060,085	—
1985	35,893,953	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $472,000 in 1987 and $1,179,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 41,234,000	$ 1.19
1988	115,763,000	3.35
1987	138,203,000	4.01
1986	156,346,000	4.34
1985	211,452,000	5.89

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 223,118	$ 255,299
Cost of sales	137,913	172,889
Expenses	103,798	96,019
Write-off of intangibles	21,724	—
Prov. for plant closing	18,014	—
Writedown of inventory	7,529	—
Prof. for restruc. of oper.	6,802	3,300
Financial income	(443)	(1,989)
Loss before taxes	$ (72,219)	$ (14,920)
Income taxes	5,253	2,246
Eq. in loss of affil.	92	37
Minority interest	(7,739)	(250)
Net Loss	$ (69,825	$ (16,953)

* Included in Costs and Expenses, Depreciation and Amortization: $8,750,000 in 1989 and $8,114,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 20,188	$ 21,688
Short-term invest.	9	2,213
Accts. receiv., net	39,546	50,324
*Inventories	48,675	82,723
Receiv. from officers	486	862
Other receivables	3,767	6,451
Other curr. assets	4,899	6.232
Current Assets	$ 117,570	$ 170,493
Investments in affil.	1,161	1,368
#Fixed assets	11,924	16,189
Notes receivable	5,400	6,076
Intangibles	45,133	57,991
Other assets	426	2,174
Total Assets	$ 181,614	$ 254,291

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 23,943	$ 15,250
Accts payable	15,361	12,686
Accruals	35,413	37,654
Income taxes	12,171	8,137
Curr. Liabilities	$ 86,888	$ 73,727
Long-term debt	6,778	13,420
Minority interest	3,043	9 885
Deferred income	654	611
Deferred inc. taxes	120	817
Redeem. pref. stock	42,897	40,068
+Common stock	1,731	1,731
Add. paid-in capital	173,307	178,564
Retained earnings (deficit)	(135,784)	(65,959)
Treasury stock	(1)	(56)
Restricted stock awards	(124)	(337)
Cum. trans. adjust.	2,105	1,820
Total Liabilities & Shareholders' Equity	$ 181,614	$ 254,291

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

Sales to Inventories	4.58	3.09
Debt to Equity	0.75	0.25
Working Capital	$ 30,682,000	$ 96,766,000
Current Ratio	1.35	2.31
Shareholders' Equity	$ 41,234,000	$ 115,763,000

TIE/Communications, Inc.

4 Progress Avenue
Seymour, Connecticut 06483
(203) 888-8000
FAX: (203) 888-8255

Officers: Thomas L. Kelly, chairman & president; William A. Merritt, exec. v.p.; Eric V. Carter, exec. v.p.; Gilbert H. Engels, sr. v.p.; Polly Parke, v.p.-corp. communications; Joseph G. Aschauer, v.p.-marketing; Anthony T. Guiterman, treasurer.

Directors: Thomas L. Kelly, chairman; Dause L. Bibby, Gilbert H. Engels, Robert E. LaBlanc, H. Tyler Marcy, William A. Merritt, Jr., James A. Ross.

Areas of Work: Engaged in the design, manufacture and marketing of telecommunications products. Principal products are multi-featured, fully electronic, digitally controlled telephone systems, primarily for business use. The Company's products also include peripheral data and telecommunications products, telephone instruments and specialized instruments and specialized high traffic turret communications systems.

Subsidiaries:

TIE International, Inc.

TIE/Telecommunications Canada Ltd.
Exclusive Canadian distributor for the Company. Also manufactures and markets two digital PABX systems.

Turret Equipment Corporation
Engaged in the design, manufacture and marketing of specialized high traffic turret telephone systems primarily for use in the financial trading community.

TIE Industries, Inc.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10038

Stock Exchange(s): American

Ticker Symbol: TIE

TII Industries, Inc.

1385 Akron Street
Copiague, New York 11726
(516) 789-5000
FAX: (516) 789-5063

Officers: Alfred J. Roach, chairman of the board & chief executive officer; Timothy J. Roach, vice chairman of the board, president & chief oper. officer; Dorothy Roach, secretary & treasurer; Thomas F. Belleau, vice president/finance; John T. Hyland, Jr., vice president/controller; C. Bruce Barksdale, vice president-product development; Alan Hotaling, vice president/general manager; James A. Roach, vice president-sales; John M. Cawley, vice president-engineering; Frances Giambanco, vice president-administration & asst. secretary.

Directors: Alfred J. Roach, chairman; Timothy J. Roach, Dorothy Roach, C. Bruce Barksdale, James R. Grover, Jr., Joseph C. Hogan.

Areas of Work: The company designs, manufactures and markets overvoltage protection devices and component gas tubes used to protect telecommunications, industrial, electrical and electronic equipment from damage or destruction, and their users from possible injury, caused by lightning and other electrical voltage surges. The company also designs, manufactures and markets station electronic products and molded plastic housings, some of which contain the company's overvoltage protectors and/or station electronic products, primarily for the telecommunications industry for use principally at customer premises, and uninterruptible power supply systems designed to protect computer and computer-related equipment.

Subsidiaries:

TII Corporation
1385 Akron Street
Copiague, New York 11726

TII Industries, Inc./Puerto Rico
TII Electronics, Inc.
Road 165, Kilometer 1.6
Toa Alta 00758 Puerto Rico

Affiliates:

Teleprobe Systems, Inc. (31.5% owned)
Manufactures fault diagnosis and testing equipment for communication systems.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: TI

Number of Employees

1989	1,180	1986	900
1988	1,182	1985	849
1987	1,075		

Plant Footage

1989	142,000 sq. ft.	1986	128,000
1988	138,000	1985	88,000
1987	138,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 31,475,000	$ 338,000
1988	30,742,000	(13,582,000)
1987	34,583,000	1,842,000
1986	38,291,000	1,271,000
1985	31,353,000	310,000

	No. of Com. Shares +	Earn. per Share +
1989	3,603,000	$ 0.09
1988	3,059,000	—
1987	3,033,000	0.61
1986	2,949,000	0.43
1985	2,947,000	0.11

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 10,440,000	$ 2.90
1988	9,271,000	3.03
1987	22,581,000	7.45
1986	20,280,000	6.88
1985	18,975,000	6.44

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	6/30/89	6/24/88
Net sales	$ 31,475,000	$ 30,742,000
Cost of sales	24,884,000	22,691,000
Forgiveness of def. credit	(4,018,000)	—
Prov. for writedown of inven.	—	12,850,000
Sell., gen., & adm. exp.	6,429,000	6,461,000
Research & develop. exp.	1,917,000	2,125,000
Interest expense	1,231,000	1,200,000
Interest income	—	(68,000)
Other expense (income)	(53,000)	9,000
Eq. in loss (inc.) of affil.	747,000	(944,000)
Net Income (Loss)	$ 338,000	$ (13,582,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,655,000 in 1989 and $1,572,000 in 1988.

Assets

As of	6/30/89	6/24/88
Cash	$ 416,000	$ 657,000
Accts. receiv., net	4,118,000	5,106,000
Other receivables	470,000	1,428,000
*Inventories	12,497,000	12,415,000
Prepaid expenses	416,000	406,000
Current Assets	$ 17,917,000	$ 20,012,000
Adv. & invest. in affil.	302,000	340,000
#Fixed assets	9,840,000	9,671,000
Other assets	959,000	1,326,000
Total Assets	$ 29,018,000	$ 31,349,000

Liabilities

Notes payable	$ 2,500,000	$ 2,150,000
Long-term debt, curr.	10,410,000	2,312,000
Accts. payable	4,436,000	3,400,000
Accruals	1,042,000	994,000
Current Liabilities	$ 18,388,000	$ 8,856,000
Long-term debt	18,388,000	8,856,000
Deferred credit	—	4,847,000
+Common stock	25,000	19,000
+Class B common stock	10,000	12,000
Add. paid-in capital	8,825,000	7,998,000
Retained earnings	1,861,000	1,523,000
Treasury stock	(281,000)	(281,000)
Total Liabilities & Shareholders' Equity	$ 29,018,000	$ 31,349,000

* At lower of cost (FIFO) or market.
# Less accumulated deprecation and amortization.
+ $0.01 par value.

Statistical Summary

% Net Income to Sales	1.07	—
% Net Income to Equity	3.24	—
Sales to Inventories	2.52	2.48
Debt to Equity	1.25	1.38
Working Capital	—	$ 11,156,000
Current Ratio	—	2.26
Shareholders Equity	$ 10,440,000	$ 9,271,000

The Titan Corporation

(formerly Electronic Memories & Magnetics Corporation)

5910 Pacific Center Blvd.
San Diego, California 92121
(619) 453-9592
FAX: (619) 546-9718

Officers: J. Sidney Webb, Jr., chairman; Gene W. Ray, president & chief exec. officer; Stephen P. Meyer, v.p. & chief financial officer; Albert E. Knauf, exec. v.p.; Jane E. Judd, corp. controller; Martin P. Fricke, sr. v.p.; John R. McDougall, exec. v.p.; D. Marshall Nelson, sr. v.p., general counsel & secretary; Jack A. Walker, v.p.; L.L. Mike Fowler, v.p..

Directors: J. Sidney Webb, Jr., Joseph F. Caligiuri, Daniel J. Fink, Gene W. Ray, Charles R. Allen.

Areas of Work: Operations are grouped in three industry segments: Systems, Technologies, and Electronics. The Systems segment provides advanced technology system design and development and systems deployment, operational and test support in areas such as "C3I," space and weapons systems, and artificial intelligence. The Technologies segment conducts reasearch and development of emerging technologies in electro-optics, pulsed power, computational fluid dynamics and applied mechanics. The Electronics segment provides militarized computers, electronic subsystems, and meteor burst communications equipment.

Subsidiaries:

Titan Severe Environment Systems Company
Manufactures microcomputers used in airborne, shipboard and ground-based mobile military systems as well as in harsh industrial environments.

Titan Systems, Inc.
Provides systems engineering in high-priority defense program.

Federal Services, Inc.
Specializes in providing support for military training on simulators and war gaming.

Beta Development Corporation
Designs and produces pulsed power systems, which include lasers and high-power, high voltage electronic subsystems for directed energy devices.

California Research & Technology, Inc.
Involved in the field of computer modeling used in nuclear effects testing.

Spectron Development Laboratories, Inc.
Engaged in electro-optics technology.

Advanced Digital Systems, Inc.
10052 Mesa Ridge Court, Suite 200
San Diego, California 92121
(619) 457-0512
Systems engineering and software development for Navy satellite communications systems.

Pulse Sciences, Inc.
600 McCormick Street
San Leandro, California 94577
(415) 632-5100
Pulsed power technology.

Acquisition:

Titan Linkabit
3033 Science Park Road
La Jolla, California

Transfer Agent(s):

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TTN

Number of Employees:

1989	1,400	1986	2,100
1988	1,100	1985	1,841
1987	1,200		

Sales & Earnings

	Net Revenues +	Net Income †
1989	$ 97,669,000	$ 2,263,000
1988	96,695,000	(11,162,000)
1987	92,847,000	1,525,000
1986	76,320,000	1,251,000
1985	62,481,000	(7,760,000)

	No. of Com. Shares #	Earn. per Share †#
1989	10,539,000	$ 0.14
1988	12,721,000	—
1987	13,275,000	0.04
1986	12,873,000	0.02
1985	12,589,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $476,000 ($0.03 per share) in 1987 and extraordinary loss of $600,000 ($0.05 per share) in 1986.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1989	1988
Systems	$ 52,993,000	$ 52,357,000
Technologies	30,108,000	30,401,000
Electronics	14,568,000	13,937,000
Total	$ 97,669,000	$ 96,695,000

Common Stock Equity

	Total Equity †	Equity Per Share #
1989	$ 10,534,000	$ 1.00
1988	15,621,000	1.23
1987	27,228,000	2.05
1986	27,754,000	2.16
1985	21,471,000	1.71

† After allowing for preferred stock at liquidation value of $20 per share.
# Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net revenues	$ 97,669	$ 96,695
Cost of revenues	78,924	81,258
Expenses	15,821	16,822
Write-offs of goodwill	—	3,899
Interest expense	862	2,255
Interest income	(484)	(348)
Income (loss) bef. taxes	$ 2,546	$ (7,191)
Income taxes	375	100
Inc. (loss)-cont. oper.	$ 2,171	$ (7,291)
Inc. (loss)-discont. oper.	92	(3,871)
Net Income (Loss)	$ 2,263	$ (11,162)

* Included in Costs and Expenses, Depreciation and Amortization: $2,409,000 in 1989 and $2,519,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 1,983	$ 296
Notes receiv.	235	15,776
Accts. receiv., net	26,658	27,898
*Inventories	4,025	3,960
Prepaid expenses	1,925	1,967
Assets of discont. oper.	1,999	13,659
Current Assets	$ 36,825	$ 63,556
#Fixed assets	5,612	5,367
Intangibles	3,970	4,276
Other assets	2,560	3,258
Total Assets	$ 48,967	$ 76,457

Liabilities
(000's)

Accts. payable	$ 3,656	$ 5,098
Income taxes	1,572	1,683
Accrued comp.	4,742	4,671
Other accruals	6,128	10,006
Curr. Liabilities	$ 16,098	$ 21,458
Long-term debt	2,200	12,000
Other liabilities	6,147	8,429
+Preferred stock	699	947
++Common stock	134	134
Add. paid-in capital	23,995	26,936
Retained earnings	10,861	9,377
Treasury stock	(11,167)	(2,824)
Total Liabilities & Shareholders' Equity	$ 48,967	$ 76,457

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value; $1 convertible.
++ $0.01 par value.

Statistical Summary

%Net Income to Equity	9.23	—
Debt to Equity	0.09	0.35
Working Capital	$ 20,727,000	$ 42,098,000
Current Ratio	2.29	2.96
Shareholders' Equity	$ 24,522,000	$ 34,570,000

Torotel, Inc.

13402 South 71 Highway
Grandview, Missouri 64030
(816) 761-6314

Officers: Alfred F. Marsh, chairman, president & chief exec. officer; Victor K. Brewer, Jr., treasurer; Donald H. Loudon, secretary.

Directors: Alfred F. Marsh, chairman; Dale H. Sizemore, Jr., Victor K. Brewer, Jr., Jack C. Beecroft.

Areas of Work: Designs and manufactures magnetic components such as transformers, chokes and toroidal coils, used in aircraft navigational systems, voice and data secure communications, telephone and avionics equipment, and missile and torpedo guidance systems.

Subsidiary:

Torotel Products, Inc.
Grandview, Missouri

Transfer Agent(s):

DST Systems, Inc.
Kansas City, Missouri

Stock Exchange(s): American

Ticker Symbol: TTL

Number of Employees:

1988 200

Plant Footage:

1988 .... 24,000 sq. ft.

Sales & Earnings

	Net Sales +	Net Income #
1988	$ 9,468,000	$ 722,000
1987	10,794,000	(1,939,000)
1986	11,040,000	(5,408,000)
1985	9,493,000	118,000
1984	8,402,000	826,000

	No. of Com. Shares ‡	Earn. per Share #‡
1988	2,573,060	$ 0.28
1987	2,537,728	—
1986	2,506,717	—
1985	2,513,223	0.05
1984	2,494,686	0.33

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $229,000 ($0.09 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	5%	

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 1,073,000	$ 0.42
1987	345,000	0.14
1986	2,193,000	0.87
1985	7,531,000	3.00
1984	8,654,000	3.47

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended March 31	1988	1987
Net sales	$ 9,468,000	$ 10,794,000
Cost of sales	6,125,000	6,281,000
Expenses	2,799,000	2,935,000
Interest expense	242,000	297,000
Interest income	(13,000)	(27,000)
Other expense (income)	(58,000)	8,000
Income before taxes	$ 373,000	$ 1,300,000
Income taxes	118,000	622,000
Inc.-cont. oper.	$ 255,000	$ 678,000
Inc. (loss) - discont. oper.	238,000	(2,617,000)
Net Income (Loss)	$ 493,000	$ (1,939,000)
Extraord. gain	229,000	—
Net Income (Loss) & extraord. gain	$ 722,000	$ (1,939,000)

* Included in Costs and Expenses, Depreciation and Amortization: $165,000 in 1988 and $174,000 in 1987.

Assets

As of March 31	1988	1987
Cash & cert. of deposit	$ 194,000	$ 160,000
Accts. receiv., net	2,347,000	3,425,000
*Inventories	1,882,000	1,786,000
Refund. inc. taxes	150,000	—
Net assets-discont. oper.	—	378,000
Other curr. assets	120,000	212,000
Current Assets	$ 4,693,000	$ 5,961,000
#Fixed assets	979,000	1,108,000
Other assets	50,000	11,000
Total Assets	$ 5,722,000	$ 7,080,000

Liabilities

Long-term debt, curr.	$ 258,000	$ 28,000
Short-term borrowings	1,261,000	2,594,000
Accts. payable	1,395,000	1,332,000
Accruals	1,134,000	2,393,000
Income taxes	—	69,000
Curr. Liabilities	$ 4,048,000	$ 6,416,000
Long-term debt.	601,000	319,000
+Common stock	1,283,000	1,282,000
Add. paid-in capital	8,480,000	8,475,000
Retained earnings (deficit)	(8,586,000)	(9,308,000)
Treasury stock	(104,000)	(104,000)
Total Liabilities & Shareholders' Equity	$ 5,722,000	$ 7,080,000

* At lower of cost (moving average) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

% Net Income to Equity	45.95	—
Sales to Inventories	5.03	6.04
Debt to Equity	1.98	8.52
Working Capital	$ 645,000	—
Current Ratio	1.16	—
Shareholders' Equity	$ 1,073,000	$ 345,000

Toshiba Corporation

1-1, Shibaura 1-chome
Minato-ku, Tokyo 105, Japan

Officers and Directors: Joichi Aoi*, president & chief executive officer; senior executive v.p.'s: Sakae Shimizu*, Fumio Ohta*, Kinichi Kadono*, Fumio Sato*; executive v.p.'s; Etsuro Ashihara,* Hidehiko Yoshida,* Osamu Iemura,* Tsuyoshi Kawanishi*; senior v.p.'s: Yasuji Oku, Tomoya Okuda, Keiichi Komiya, Kazuya Takakumo, Sadao Okano, vice presidents: Saburo Suzuki, Hiroshi Yamakawa, Seiichi Takayanagi, Kunika Mizushima, Yasumasa Yahagi, Yoshihiko Wakumoto, Hideharu Egawa, Ichiro Miura, Takashi Okatomi, Kanichi Ito, Atsumi Uchiyama, Masaichi Koga, Shiro Matsuo; Kosaku Inaba, director.

* Denotes representative director.

Areas of Work: The Company's lines of business span industrial electronics and electronic components, heavy electrical apparatus, consumer products, and materials, machinery and other products.

In the area of Industrial Electronics, the Company produces office automation equipment, including computers, workstations, optical document filing systems, word processors, printers, floppy disk drives, optical character readers, and copiers; telecommunications equipment including private branch exchanges, push-button telephones, packet switching systems, data switches, and local area network systems; broadcasting equipment, including radio and television transmitters and color cameras; airport equipment, including radar systems and runway lighting equipment; space-related products, including engineering test satellites and broadcasting satellites; aerospace equipment and defense products; medical equipment, including computed tomography scanners, ultrasound diagnostic equipment, and magnetic resonance imaging systems; and labor-saving automation equipment, including letter- and package-sorting systems and banking machines.

In the area of Electronic Components, the Company produces semiconductors products, including memories, microprocessors, gate arrays, standard cells, logic ICs, bipolar ICs, power devices, diodes, and transistors; electron tubes, including color picture tubes, display tubes and magnetron tubes; and other electronic components, including printed circuit boards, charge-coupled devices, surface acoustic wave devices, sensors, and semiconductor lasers.

In the area of Consumer Products, the Company produces video products, including video cassette recorders and cameras, camcorders, video disc players, video tapes, and color televisions; audio products, including stereo systems, compact disc players, radio cassette recorders, headphone-type compact stereo cassette players, and portable and clock radios; household appliances, including room air conditioners, heaters, electric fans, washing machines, clothes dryers, vacuum cleaners, refrigerators, microwave ovens, food processors, juicers, blenders, toasters, rice cookers, and meat grinders; and lighting equipment, including incandescent and fluorescent bulbs, lamps, and lamp fixtures.

In the area of Heavy Electrical Apparatus, the Company produces power plant systems, including equipment for nuclear, thermal, geothermal and hydroelectric power plants, substations, computer-controlled transmission systems and subsystems; industrial electrical apparatus and measuring instruments, including control equipment for steel mills, pulp and paper plants, induction/synchronous/direct current motors, and process control instruments; factory automation systems and equipment, including industrial robots, unmanned carriers, computers and computer-aided design/computer aided-manufacturing systems with specific factory automation applications; and transportation equipment, including mass transportation control systems, electric locomotives, electrical equipment for railway coaches, railway substations, elevators and escalators.

In the area of Materials, Machinery and other Products, the Company produces materials, including steel tubing, alloys, quartz glass, ceramics, insulating materials, resin, magnetic and nonmagnetic materials, silicone, tungsten, and molybdenum products; machinery, including machine tools, precision machinery, semiconductor manufacturing equipment, plastic-fabricating machines, and die-casting equipment; and other products, including prefabricated housing, optical equipment, lightwave telemeters, and clinical thermometers.

Subsidiaries (Japan):

Iwate Toshiba Electronics Co., Ltd.
Kitashiba Electric Co., Ltd.
Kyodo Building Corporation
Marcon Electronics Co., Ltd.
Minato Building Co., Ltd.
Nikko Jitsugyo Co., Ltd.
Nishishiba Electric Co., Ltd.
Onkyo Corporation
Shibaura Engineering Works Co., Ltd.
TDH, Inc.
Tokyo Electric Co., Ltd.
Toshiba Automation Co., Ltd.
Toshiba Battery Co., Ltd.
Toshiba Builders Appliance Co., Ltd.
Toshiba Building Corporation
Toshiba Ceramics Co., Ltd.
Toshiba Chemical Corporation
Toshiba Components Co., Ltd.
Toshiba Credit Corporation
Toshiba Electric Appliance Co., Ltd.
Toshiba Electric Equipment Corp.
Toshiba Electronic Systems Co., Ltd.
Toshiba Elevator & Escalator Service Co., Ltd.
Toshiba Engineering & Construction Co., Ltd.
Toshiba Engineering Co., Ltd.
Toshiba Glass Co., Ltd.
Toshiba Heating Appliances Co., Ltd.
Toshiba Higashinihon Consumer Electronics Co., Ltd.
Toshiba Information Equipment Co., Ltd.
Toshiba Lightec Corporation
Toshiba Medical Systems Co., Ltd.
Toshiba Physical Distribution Co., Ltd.
Toshiba Silicone Co., Ltd.
Toshiba Steel Tube Co., Ltd.

Subsidiaries (North America):

Toshiba of Canada Ltd.; Willowdale, Ontario
Toshiba America, Inc.; New York
Toshiba America Information Systems. Inc.; Irvine (CA)
Toshiba America Medical Systems, Inc.; Tustin (CA)
Toshiba America Electronic Components, Inc.; Irvine (CA)
Toshiba America Consumer Products, Inc.; Wayne (NJ)
Toshiba Hawaii, Inc.; Honolulu
Toshiba International Corporation; San Francisco
Toshiba Display Devices, Inc.; Horseheads (NY)

Transfer Agent(s):

The Mitsui Trust and Banking Co., Ltd.

Stock Exchange(s): Tokyo

Number of Employees:

1989	125,000	1986	120,000
1988	122,000	1985	114,000
1987	121,000		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1989	¥ 3,800,857	¥ 119,402
1988	3,572,435	60,711
1987	3,307,593	34,178
1986	3,372,955	59,440
1985	3,342,824	86,119

	No. of Com. Shares	Earn. per Share ‡
1989	3,074,565,423	¥ 37.30
1988	2,939,414,618	20.37
1987	2,732,493,655	11.86
1986	2,675,677,236	19.24
1985	2,672,150,468	29.63

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(millions)

	1989	1988
Information/ communication syst. & elec. devices	¥ 1,866,620	¥ 1,528,300
Heavy electrical apparatus	727,017	874,300
Consumer prods. & other	1,207,220	1,169,800
Total	¥ 3,800,857	¥ 3,572,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	¥ 8.00	—	—
1988	8.00	—	
1987	8.00	—	—
1986	8.00	—	—
1985	8.00	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1989	¥ 880,363	¥ 286.34
1988	717,938	244.25
1987	592,923	216.99
1986	566,557	211.74
1985	547,918	—

Income Account *
(millions)

Year ended Mar. 31	1989	1988
Net sales	¥ 3,800,857	¥ 3,572,435
Other income	117,006	132,256
Total income	¥ 3,917,863	¥ 3,704,691
Cost of sales	2,584,153	2,572,914
Expenses	968,684	889,437
Interest expense	70,487	66,346
Other expenses	59,710	50,520
Income before taxes	¥ 234,829	¥ 125,474
Income taxes	123,361	65,016
Minority interests	4,253	3,529
Eq. in inc. of unconsol. subsid.	(12,187)	(3,782)
Net Income	¥ 119,402	¥ 60,711

* Included in Costs and Expenses, Depreciation: ¥ 176,532,000,000 in 1988.

Assets
(millions)

As of Mar. 31	1989	1988
Cash & cash equiv.	¥ 636,731	¥ 508,181
Marketable securities	171,147	194,641
Trade receiv.	883,146	721,064
*Inventories	825,167	742,728
Prepaid expenses	206,854	184,127
Current Assets	¥ 2,723,045	¥ 2,350,741
Long-term receiv.	116,263	134,000
Investments in & adv. to affil cos.	141,732	96,583
Other investments	262,645	217,849
#Fixed assets	789,799	737,920
Other assets	172,246	158,915
Total Assets	¥ 4,205,730	¥ 3,696,008

Liabilities
(millions)

	1989	1988
Bank loans	¥ 655,787	¥ 531,740
Long-term debt, curr.	63,227	48,771
Notes payable	310,097	285,998
Accts. payable	407,937	344,375
Notes payable for construc.	69,893	43,190
Accrued taxes	119,852	80,892
Advance payments	453,367	423,894
Empl. sav. deposits	71,748	67,504
Other accruals	285,215	246,630
Curr. Liabilities	¥ 2,437,123	¥ 2,072,994
Long-term debt	526,221	552,902
Liab. for severance liab.	244,206	225,882
Minority interest	117,817	126,292
+Common stock	229,732	196,642
Add. paid-in capital	224,954	191,942
Legal reserve	43,481	40,664
Retained earnings-dividends	12,298	11,757
Retained earnings	407,825	315,737
Cum. trans. adjust.	(37,927)	(38,804)
Total Liabilities & Shareholders' Equity	¥ 4,205,730	¥ 3,696,008

* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.18	3.51
%Net Income to Sales	3.146	1.70
%Net Income to Equity	13.56	8.46
Sales to Inventories	4.61	7.06
Debt to Equity	1.77	1.98
Working Capital (000's)	¥ 285,922,000	¥ 277,747,000
Current Ratio	1.12	1.13
Shareholders' Equity (000's)	¥ 880,363,000	¥ 717,938,000

Trans-Lux Corporation

110 Richards Avenue
Norwalk, Connecticut 06856-5090
(203) 853-4321
FAX: (203) 853-4321

Officers: Richard Brandt, chairman & chief exec. officer; Victor Liss, exec. v.p., secretary & chief financial officer; Frank N. Daniels, sr. v.p.; Charles J. Holloman, sr. v.p. & chief scientist; Thomas M. Waltz, sr. v.p.; Robert Belger, sr. v.p.; Karl P. Hirschauer, vice president; Marianne Johnson, vice president; Angela D. Toppi, treasurer & asst. secretary; Arthur Smith, asst. v.p.; Robert Budd, vice president; Thomas Calello, asst. vice president; Earl Potter, v.p.-Trans-Lux Montezuma Corporation; Fred Duray, asst. vice president; Gene Coyne, asst. vice president; James A. Tripp, Jr., asst. vice president; Michael R. Mulcahy, vice president; Jerry E. Krause, asst. v.p.; Thomas Mahoney, asst. v.p.; Corwin J. White, asst. v.p.; Derek Stodart, v.p.-Trans-Lux Canada Ltd.; Ronald H. Turcotte, exec. v.p.; Robert P. Bosworth, v.p.-Trans-Lux Canada Ltd.; Thomas Brandt, asst. v.p.-entertainment subsidiaries; Caroline A. Bowen, asst. v.p.-Trans-Lux Canada Ltd.; Thomas Brandt, asst. v.p.-entertainment subsidiaries; Robert Hanke, asst. v.p.-Trans-Lux Credit Terminal Corporation; David Yoksza, asst. v.p..

Directors: Richard Brandt, chairman; Allan Fromme, Jean Firstenberg, Robert Greenes, Edward H. Meyer, Howard S. Modlin, Eugene Picker, Victor Liss.

Areas of Work: The Company's Communications Division designs, produces, leases, sells and services large-scale LED (light-emitting diodes) information displays, microprocessor-based telecommunications terminals and facsimile transmission equipment. The Company's Entertainment Division operates a multimedia auditorium in New York City.

Divisions:

Communications Division
Entertainment Division

Subsidiaries:

Trans-Lux SignLine Corporation
Trans-Lux News-Sign Corporation
Trans-Lux Service Corporation
Trans-Lux Multimedia Corporation
Trans-Lux Synidicated Programs Corporation
Trans-Lux Canada Ltd.
Saunders Realty Corporation
Trans-Lux Data Network Corporation
Trans-Lux South Street Venture Corporation
Trans-Lux Seaport Corporation
Trans-Lux Investment Corporation

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: TLX

Number of Employees:

1989	350	1987	322
1988	N.A.	1986	325

N.A. - Not Available.

Plant Footage:

1989	88,000 sq. ft.	1987	88,000
1988	88,000	1986	88,000

Sales & Earnings

	Revenues +	Net Income
1989	$ 20,869,000	$ 381,000
1988	19,031,000	(1,496,000)
1987	19,423,000	(464,000)
1986	19,965,000	4,104,000
1985	22,844,000	1,709,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	1,476,000	$ 0.26
1988	1,582,000	—
1987	1,807,000	—
1986	1,917,000	2.15
1985	2,063,000	0.86

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.152	5%	—
1988	0.152	5%	
1987	0.152	—	—
1986	0.134	5% & 5%	—
1985	—	2% & 5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 21,194,000	$ 14.36
1988	21,187,000	13.39
1987	24,781,000	13.71
1986	26,616,000	13.88
1985	24,871,000	12.06

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Gross revenues	$ 20,869	$ 19,031
Cost of revenues	11,562	10,429
Write-down of assets	—	2,541
Expenses	8,373	7,846
Interest expense	2,051	1,873
Interest income	(1,520)	(1,507)
Other income	(231)	(54)
Inc. (loss) bef. taxes	$ 634	$ (2,097)
Income taxes (credit)	253	(601)
Net Income (Loss)	$ 381	$ (1,496)

* Included in Costs and Expenses, Depreciation and Amortization: $3,556,000 in 1989 and $3,970,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,056	$ 2,035
Marketable securities	18,952	18,955
Accts. receiv., net	2,550	1,379
*Inventories	289	320
Current Assets	$ 22,847	$ 22,689
Investments	1,240	1,286
Rental equipment	13,193	11,647
#Fixed assets	8,332	7,572
Intangibles	1,720	1,664
Total Assets	$ 47,332	$ 44,858

Liabilities
(000's)

Long-term debt, curr.	$ 508	$ 335
Short-term borrowings	6,996	4,836
Accts. payable & accruals	2,324	1,958
Income taxes	241	199
Curr. Liabilities	$ 10,069	$ 7,328
Long-term debt	14,271	15,223
Deferred revenue	810	729
Deferred inc. taxes	544	391
Minority interest	444	—
+Common stock	2,232	2,171
+Class B stock	508	543
Add. paid-in capital	13,807	13,690
Retained earnings	15,236	15,499
Treasury stock	(10,589)	(10,716)
Total Liabilities & Shareholders' Equity	$ 47,332	$ 44,858

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	3.04	—
%Net Income to Revenues	1.83	—
%Net Income to Equity	1.80	—
Debt to Equity	1.03	0.96
Working Capital	$ 12,778,000	$ 15,361,000
Current Ratio	2.27	3.10
Shareholders' Equity	$ 21,194,000	$ 21,187,000

Transducer Systems, Inc.

1500 Gehman Road
P.O. Box 341
Kulpsville, Pennsylvania 19443
(215) 256-4611

Officers: Thomas J. Carduff, chairman, chief executive & chief financial officer; R. Phillip Wallauer, v.p. & secretary; Stephen J. Sanderson, v.p..

Directors: Thomas J. Carduff, chairman; Alfred A. Zollo, Alfred Lifton, Peter Hamel, Ramesh J. Haveri, Warlow Eichler.

Areas of Work: The Company designs, manufactures and markets electro-magnetic and electronic components for use in a variety of applications. Principal products include: magnetic pickups, digital-output sensor, zero-speed sensors and velocity transducers, sold to the computer peripheral industry for use in disk drives and printers.

Subsidiaries:

Caribbean Services Incorporated
Barbados, West Indies

Transfer Agent(s):

Mellon Bank (East) NA
Securities Transfer Services
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TSIC (NASDAQ)

Number of Employees:

1988	127	1985	200
1987	N.A.	1984	250
1986	N.A.		

Plant Footage:

1988	29,000	1985	70,000
1987	N.A.	1984	54,000
1986	70,000 sq. ft.		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1988	$ 2,623,000	$ (649,000)
1987	4,299,000	(573,000)
1986	4,380,000	66,000
1985	3,932,000	(921,000)
1984	7,455,000	613,000

	No. of Com. Shares †	Earn. per Share #
1988	1,030,011	$ —
1987	1,030,011	—
1986	1,030,011	0.07
1985	1,030,011	—
1984	1,028,636	0.60

(Loss)
† Adjusted to reflect stock dividend.
# Based on the average number of shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	
1986	—	—	—
1985	—	—	—
1984	0.02	10%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 733,000	$ 0.71
1987	1,382,000	1.34
1986	2,060,000	2.00
1985	2,045,000	1.99
1984	2,960,000	2.88

† Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 2,623,000	$ 4,229,000
Cost of sales	2,418,000	3,747,000
Expenses	728,000	940,000
Interest expense	126,000	127,000
Royalty income	—	(50,000)
Other expense	—	38,000
Net Loss	$ (126,000)	$ (573,000)

* Included in Costs and Expenses, Depreciation: $258,000 in 1988 and $326,000 in 1987.

Assets

As of Dec. 31	1988	1987
Cash & cash equiv.	$ 138,000	$ 63,000
Accts. receiv., net	688,000	649,000
*Inventories	440,000	830,000
Prepaid expenses	37,000	71,000
Current Assets	$ 1,303,000	$ 1,613,000
#Fixed assets	507,000	1,864,000
Other receivables	117,000	217,000
Other assets	1,000	23,000
Total Assets	$ 1,928,000	$ 3,717,000

Liabilities

Notes payable	$ 230,000	$ 575,000
Long-term debt, curr.	90,000	139,000
Accts. payable	188,000	101,000
Accruals	170,000	185,000
Curr. Liabilities	$ 678,000	$ 1,000,000
Long-term debt	146,000	1,091,000
Deferred income	371,000	244,000
+Common stock	103,000	103,000
Add. paid-in capital	1,673,000	1,673,000
Retained earnings (deficit)	(887,000)	(238,000)
Treasury stock	(156,000)	(156,000)
Total Liabilities & Shareholders' Equity	$ 1,928,000	$ 3,717,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	5.96	5.10
Debt to Equity	0.64	1.31
Working Capital	$ 625,000	$ 613,000
Current Ratio	1.92	1.61
Shareholders' Equity	$ 733,000	$ 1,382,000

Transmation, Inc.

977 Mt. Read Boulevard
Rochester, New York 14606
(716) 254-9000
FAX: (716) 254-0273

Officers: William J. Berk, president & chief executive; Philip P. Schulp, v.p.-sales; Anthony S. Graff, v.p.-manufacturing; John A. Misiaszek, v.p.-finance, secretary-treasurer; Paul M. Augenstein, v.p.-engineering; John A. DeVoldre, v.p.-human resources; Eric W. McInroy, president-TRANSCAT, INC.; Barry F. Wharity, v.p.-TRANSCAT, INC.; Arnold W. Wehrle, v.p.-TRANSCAT, INC.; Donald R. Welsh, v.p.-TRANSCAT, INC..

Directors: William J. Berk, Angelo J. Chiarella, Philip P. Schulp, Gerald R. Katz, Michael R. Smart, Arthur M. Richardson, Robert G. Klimasewski, John W. Oberlies, Harvey J. Palmer.

Areas of Work: Engaged in the development and manufacture of electronic interface instruments and digital systems; produces products such as thermocouple dial alarms for monitoring plant warning temperatures, electronic integrators for accurate counting of proportional analog signals, integrated circuit transmitters, field signal indicators, calibration equipment and other manufacturers' products through direct mail marketing.

Divisions and Subsidiaries:

Instrument Division
Transcat, Inc.
Systems/Computer Division

Transmation (Canada) Inc.
170 Brockport Drive
Rexdale, Ontario M9W5C8, Canada

Transfer Agent(s):

The National City Bank of Cleveland
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRNS (NASDAQ)

Number of Employees:

1989	200	1986	166
1988	193	1985	172
1987	N.A.		

Plant Footage:

1989	38,800 sq. ft.	1986	38,800
1988	38,800	1985	38,800
1987	38,800		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 21,218,935	$ 864,112
1988	16,766,826	397,427
1987	15,325,048	333,056
1986	15,418,680	373,450
1985	12,968,169	336,713

	No. of Com. Shares	Earn. per Share ‡ #
1989	2,307,282	$ 0.37
1988	2,307,282	0.17
1987	2,307,282	0.14
1986	2,307,282	0.16
1985	2,306,782	0.14

‡ Including extraordinary gain of $62,300 ($0.03 per share) in 1985.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 5,186,511	$ 2.25
1988	4,354,956	1.89
1987	3,951,418	1.71
1986	3,572,791	1.55
1985	3,157,099	1.37

† Adjusted to reflect stock split.

Income Account *

Year ended March 31	1989	1988
Net sales	$ 21,218,935	$ 16,766,826
Cost of sales	11,420,378	9,193,841
Sell. and adm. expenses	7,100,865	5,741,602
Res. & develop. expenses	1,111,140	983,235
Interest expense	153,440	164,821
Income before taxes	$ 1,433,112	$ 683,327
Income taxes	569,000	285,900
Net Income	$ 864,112	$ 397,427

* Included in Costs and Expenses, Depreciation and Amortization: $346,945 in 1989 and $275,367 in 1988.

Assets

As of March 31	1989	1988
Cash	$ 67,681	$ 152,747
Accts. receiv. net	3,174,502	2,879,665
*Inventories	4,604,061	3,067,978
Prepaid expenses	427,053	436,345
Current Assets	$ 8,273,297	$ 6,536,735
# Fixed assets	1,081,906	1,133,235
Deferred charges	29,935	68,675
Prepaid taxes	376,525	234,025
Other assets	193,736	159,628
Total Assets	$ 9,955,399	$ 8,132,298

Liabilities

Long-term debt & cap. lease oblig., curr.	$ 116,318	$ 92,496
Accts. payable	1,539,033	943,945
Accruals	1,298,808	910,126
Income taxes payable	509,804	264,002
Deferred income taxes	222,061	218,913
Curr. Liabilities	$ 3,686,024	$ 2,429,482

Capital lease oblig.	190,448	271,894
Long-term debt	400,000	750,000
Deferred compensation	492,416	325,966
+ Common stock	1,153,641	1,153,641
Add. paid-in capital	842,200	835,868
Translation adjust.	5,234	52,006
Retained earnings	3,299,143	2,435,031
Notes receiv. for stock purch.	(113,707)	(121,590)
Total Liabilities & Shareholders' Equity	$ 9,955,399	$ 8,132,298

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.75	4.08
%Net Income to Sales	4.07	2.37
%Net Income to Equity	16.66	9.13
Sales to Inventories	4.61	5.47
Debt to Equity	0.14	0.26
Working Capital	$ 4,587,273	$ 7,107,253
Current Ratio	2.24	2.69
Shareholders' Equity	$ 5,186,511	$ 4,354,956

TransTechnology Corporation

15303 Ventura Boulevard, 12th Floor
Sherman Oaks, California 91403
(818) 990-5920
FAX: (818) 905-5199

Officers: Arch C. Scurlock, chairman; Ralph E. Hutchins, president & chief exec. officer; Paul Grosher, sr. v.p. & treasurer; Thomas E. Hanrahan, group v.p.; Burl Alison, v.p.; Richard I. Tanaka, group v.p.; Patrick K. Bolger, group v.p.; Joseph R. Cabaret, v.p.; Jack R. Hiatt, v.p., corporate planning & development; Jeffrey A. Norton, v.p. & secretary; Lee M. Parker, v.p..

Directors: Arch C. Scurlock, chairman; Jefferson W. Asher, Jr., William O'Bowers, III, Frank L. Bryant, John H. Grover, Richard Mascuch, Dan McBride, Richard J. Riordan, Ralph E. Hutchins.

Areas of Work: Develops, manufactures and markets a wide range of technically sophisticated products.

Aerospace-Defense products include cargo restraint and control products -- principally helicopter rescue hoists and external hook systems, winches and hoists for aircraft and other weapon systems, and aircraft and cargo tie-down devices; metallized-glass-fiber products (referred to as chaff) and related devices and systems; custom electrical-interconnection systems and their components, including a broad line of high-quality connectors; and weather instruments.

Advanced-Technology products include sophisticated computer-aided design and drafting (CADD) display workstations; bank automation equipment -- advanced reader-sorters and related accessories, check repair equipment, and automated terminals; and remittance-processing equipment.

Industrial products include gear-driven fasteners, tachometers and related equipment, and crane accessories; textile-finishing machinery and related supplies, and elastomer products, and tear gas and related law enforcement products.

Divisions and Subsidiaries:

Breeze Eastern
700 Liberty Avenue
Union, New Jersey 07083
(201) 686-4000
Cargo restraint and control products.

Breeze Industrial Products
100 Aero-Seal Drive
Saltsburg, Pennsylvania 15681
(412) 639-3527
Gear-driven fasteners, tachometers and related equipment.

TransTechnology Electronics
8823 North Industrial Road
Peoria, Illinois 61615
(309) 693-3300
Custom electrical-interconnection systems and components.

Lundy Technical Center
3901 N.E. 12th Avenue
P.O. Box 5280
Pompano Beach, Florida 33064
(305) 943-1500
Produces metallized-glass fiber (chaff) and related products.

Federal Laboratories
1 Tunnelton Road
Post Office Box 305
Saltsburg, Pennsylvania 15681
(412) 639-3511
Tear gas and related law enforcement products, and signal flares.

Belfort Instrument
727 South Wolfe Street
Baltimore, Maryland 21231
(301) 342-2626
Manufactures weather instruments.

Lundy Computer Graphics
1 Robert Lane
Glen Head, New York 11545
(516) 671-9000
Computer-aided design drafting and display monitors and subsystems.

Lundy Financial Systems
5535 Wilkinson Boulevard
P.O. Box 668
Charlotte, North Carolina 28208
(704) 394-1161
Automated financial systems.

TransTechnology (Europe)
Warrior House
12-14 The Hard, Portsmouth
Hampshire PO1 3QU, England
44(705) 828866
International sales and service for Lundy products.

Gessner/Miller
41 Fremont Street
P.O. Box 15069
Worcester, Massachusetts 01615-0069
(617) 793-7000
Produces textile-finishing machinery and crane accessories.

Lloyd Manufacturing
130 Franklin Street
P.O. Box 347
Warren, Rhode Island 02885
(401) 245-6600
Elastomer products.

Howard Brothers
42 Southbridge Street
Auburn, Massachusetts 01501
(617) 793-7070
Produces napper wire and card clothing.

Transfer Agent(s):

Bank of America, N.T. & S.A.
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: TT

Number of Employees:

1989	2,600	1987	2,500
1988	2,620	1986	2,627

Plant Footage:

1989	N.A.	1987	1,292,100
1988	1,337,500 sq. ft.	1986	1,327,500

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1989	$ 235,201,000	$ 9,244,000
1988	201,321,000	11,998,000
1987	200,094,000	10,636,000
1986	113,022,000	6,947,000
1985	112,941,000	8,418,000

	No. of Com. Shares	Earn. per Share ‡
1989	5,136,441	$ 1.80
1988	5,140,461	2.27
1987	5,310,144	2.28
1986	4,570,472	1.52
1985	4,542,999	1.75

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Aerospace-defense prods.	$ 98,598,000	$ 87,409,000
Advanced technology prods.	81,955,000	64,934,000
Industrial prods.	53,823,000	47,619,000
Total	$ 234,376,000	$ 199,962,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.90	—	—
1988	0.82	—	
1987	0.68	—	—
1986	0.64	—	—
1985	0.56	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 92,304,000	$ 17.97
1988	87,768,000	17.07
1987	82,832,000	15.60
1986	59,554,000	13.03
1985	55,238,000	12.16

Income Account *
(000's)

Year ended Mar. 31	1989	1988
Net sales	$ 234,376	$ 199,962
Other income	825	1,359
Total income	$ 235,201	$ 201,321
Cost of sales	159,564	134,173
Expenses	51,619	41,952
Interest expense	6,750	4,662
Income before taxes	$ 17,268	$ 20,534
Income taxes	6,781	8,593
Inc.-cont. oper.	$ 10,487	$ 11,941
Loss-discont. oper.	(1,243)	(953)
Cum. effect of acct. change	—	1,010
Net Income	$ 9,244	$ 11,998

* Included in Costs and Expenses, Depreciation and Amortization: $7,954,000 in 1989 and $6,657,000 in 1988.

Assets
(000's)

As of Mar. 31	1989	1988
Cash	$ 3,441	$ 7,118
Accts. receiv., net	64,930	60,513
*Inventories	64,986	66,545
Deferred income taxes	3,143	1,239
Prepaid expenses	4,129	4,524
Business held for sale	2,976	—
Current Assets	$ 143,605	$ 139,939
#Fixed assets	45,339	43,380
Notes receiv.	453	590
Intangibles	9,621	9,908
Other assets	7,472	7,646
Total Assets	$ 206,490	$ 201,463

Liabilities
(000's)

Long-term debt, curr.	$ 3,273	$ 3,955
Accts. payable	19,435	17,715
Accrued compensation	6,431	6,388
Income taxes	540	797
Other curr. liabilities	7,938	9,296
Curr. Liabilities	$ 37,617	$ 38,151
Long-term debt	72,705	71,053
Deferred inc. taxes	3,609	3,633
Other liabilities	255	858
+Common stock	51	51
Add. paid-in capital	44,822	44,909
Retained earnings	47,431	42,808
Total Liabilities & Shareholders' Equity	$ 206,490	$ 201,463

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	10.01	13.67
Sales to Inventories	3.61	3.00
Debt to Equity	0.82	0.85
Working Capital	$ 105,988,000	$ 101,788,000
Current Ratio	3.82	3.67
Shareholders' Equity	$ 92,304,000	$ 87,768,000

Triad Systems Corporation

3055 Triad Drive
Livermore, California 94550
(415) 449-0606
FAX: (415) 455-6471

Officers: William W. Stevens, chairman of the board; James R. Porter, president & chief exec. officer; Shane E. Gorman, v.p. & gen. mgr.-Automotive Division; Stephen J. LaCommare, v.p.-manufacturing & corp. quality; Stanley F. Marquis, president-TSC Leasing Corporation & corp. treasurer; Thomas J. O'Malley, v.p.-administration; Ralph C. Montelius, v.p.-customer services; Thomas A. King, v.p.- product development; Robert L. West, group v.p. & gen. mgr.-information services; Jerome W. Carlson, v.p.-finance, chief financial officer & corp. secretary; Anthony J. Zuanich, v.p. & gen. mgr.-Retail Hardgoods Division; Joseph F. Shea, gen. mgr.-Dental Division; Bruce M. Blanco, controller.

Directors: William W. Stevens, chairman; Henry M. Gay, James R. Porter, George O. Harmon.

Areas of Work: The corporation designs, manufactures, markets and services small business computer systems. These systems are fully packaged industry-specific for use by employees of small businesses with little or no previous computer experience. The systems are primarily marketed to automotive parts wholesalers, automotive warehouse distributors, retail hardware dealers, independent tire dealers, and dentists.

Divisions:

Retail Hardgoods Division
Automotive Division
Dental Division
Customer Services Division
Information Services Division

Subsidiaries:

TSC Leasing Corporation

Triad Systems Canada, Ltd.
Toronto, Ontario, Canada

TRIDEX Systems, Ltd.
Ealing, London, England

Transfer Agent(s):

Bank of America NT & SA
P.O. 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRSC (NASDAQ)

Number of Employees:

1989	1,373	1986	1,596
1988	1,378	1985	1,450
1987	1,365		

Plant Footage:

1989	225,000 sq. ft.	1986	50,000
1988	245,000	1985	50,000
1987	50,000		

Sales & Earnings

	Net Sales & Serv. Rev.	Net Income ‡
1989	$ 138,386,000	$ 5,695,000
1988	127,410,000	8,315,000
1987	117,268,000	6,427,000
1986	111,676,000	3,181,000
1985	107,278,000	(5,507,000)

	No. of Com. Shares #	Earn. per Share ‡ #
1989	9,005,000	$ 0.63
1988	7,890,000	0.93
1987	7,903,000	0.77
1986	7,697,000	0.41
1985	7,440,000	—

(Loss)
‡ Including extraordinary gain of $509,000 ($0.06 per share) in 1987.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ (34,478,000)	$ —
1988	82,509,000	10.46
1987	74,337,000	9.41
1986	66,208,000	8.60
1985	61,736,000	8.30

(Deficiency)
Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Revenues:		
Systems	$ 70,849	$ 65,616
Services	67,537	61,794
Leasing	9,610	8,379
Total income	$ 147,996	$ 135,789
Cost of sales & serv.	74,426	67,393
Expenses:		
Marketing	38,953	35,417
Prod. develop.	8,495	8,149
Gen. & adm.	12,220	11,199
Non-recurr. charge	7,370	—
Interest expense (income)	1,819	(396)
Other expense	482	913
Gain from sale of prop.	(5,760)	(297)
Inc. bef. taxes	$ 9,991	$ 13,411
Income taxes	4,296	5,096
Net Income	$ 5,695	$ 8,315

* Included in Costs and Expenses, Depreciation and Amortization: $10,723,000 in 1989 and $8,810,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 8,520	$ 17,672
Short-term invest.	1,001	24,478
Accts receiv., net	9,880	10,244
Invest. in leases	5,024	6,887
*Inventories	9,150	7,545
Deferred inc. taxes	5,463	5,185
Prepaid expenses	6,663	8,877
Current Assets	$ 45,701	$ 80,888
Service parts	4,221	5,931
#Fixed assets	28,997	37,034
Investment in leases	19,484	32,220
Other assets	24,599	11,235
Land for resale	25,381	23,767
Total Assets	$ 148,383	$ 191,075

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 1,352	$ 1,629
Accts. payable	7,821	4,130
Accrued emp. comp.	9,990	8,175
Other curr. liab.	13,316	11,647
Curr. Liabilities	$ 32,479	$ 25,581
Long-term debt	117,353	52,296
Deferred inc. taxes	27,640	26,095
Other liabilities	5,389	4,594
+ Common stock & add. paid-in capital	304	41,203
Retained earnings (deficit)	(34,782)	43,013
Treasury stock	—	(1,707)
Total Liabilities & Shareholders' Equity	$ 148,383	$ 191,075

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.001 par value in 1989; $0.01 par in 1988.

Statistical Summary

%Income bef. Taxes to Revenues	6.75	9.88
%Net Income to Revenues	3.85	6.12
%Net Income to Equity	—	10.08
Debt to Equity	—	0.65
Working Capital	$ 13,222,000	$ 55,307,000
Current Ratio	1.41	3.16
Shareholders' Equity (Deficiency)	$ (34,478,000)	$ 82,509,000

Trion, Inc.

P.O. Box 760
101 McNeill Road
Sanford, North Carolina 27331-0760
(919) 775-2201
FAX: (919) 774-8771

Trion, Inc.

Officers: Hugh E. Carr, president & chief executive officer; William P. Glaser, senior vice president; Gary H. Cox, v.p.-sales; John M. Grant, v.p.-international & managing director-Trion, Ltd.; Don F. Schreiner, director-quality; Roy G. Stephens, dir. of mfg.; J. Gary Waters, v.p. & controller; Dorothy C. Howell, asst. sec.; Robert H. Petty, director of engineering; Richard L. Palmer, v.p.-operations; Hermann Josef Schaeven, managing director-Trion GmbH; Cecil A. Archibald, gen mgr.-Trion Canada Inc.; David R. Raysek, general sales manager; Kelly O. Carr, sales administrator; Steven M. Malloy, materials manager.

Directors: Hugh E. Carr, Seddon Goode, Jr., Grant R. Meyers, Robert K. Wagner, James E. Heins, Samuel J. Wornom, III, Edwin V. Clarke, Jr..

Areas of Work: Engaged in the design, manufacture, and distribution of electronic air cleaners. Most of the company's business is related to products which help improve the quality of indoor air and conserve energy. Major markets include homes and apartments, industrial complexes, commercial buildings and ships.

Division:

Tepco Division
Sanford, North Carolina
Electronic air cleaners.

Subsidiaries:

Trion Ltd.
Brunel Gate
West Portway Industrial Estate
Andover, Hampshire, England

Trion Canada, Inc.
Kitchener, Ontario, Canada

Trion GmbH
Cologne, West Germany

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRON (NASDAQ)

Number of Employees:

1989	350	1987	461
1988	476	1986	397

Plant Footage:

1989	339,000 sq. ft.	1987	311,000
1988	339,000	1986	311,000

Sales & Earnings

	Revenues	Net Income
1989	$ 45,839,000	$ 1,360,000
1988	52,174,000	3,603,000
1987	40,621,000	2,747,000
1986	30,113,000	2,163,000
1985	25,995,000	1,381,000

	No. of Com. Shares #	Earn. per Share #
1989	6,224,683	$ 0.22
1988	6,175,688	0.58
1987	6,102,153	0.45
1986	6,092,010	0.36
1985	6,062,329	0.23

# Based on the average number of common shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1989	1988
Engineered prods.	$ 11,066,000	$ 10,354,000
Consumer prods.	21,879,000	26,775,000
Foreign operations	12,597,000	14,850,000
Total	$ 45,542,000	$ 51,979,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.088	—	3-for-2
1988	0.077	—	
1987	0.065	—	5-for-4
1986	0.057	—	—
1985	0.052	—	—

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 19,678,000	$ 3.14
1988	19,077,000	3.07
1987	15,799,000	2.58
1986	13,070,000	2.15
1985	11,167,824 ‡	1.84

‡ After allowing for preferred stock at a redemption value of $7 per share.
† Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 45,542,000	$ 51,979,000
Other income	297,000	195,000
Total income	$ 45,839,000	$ 52,174,000
Cost of sales	32,812,000	35,955,000
Expenses	10,075,000	10,642,000
Interest expense	919,000	451,000
Income before taxes	$ 2,033,000	$ 5,126,000
Income taxes	673,000	1,889,000
Cum. effect of change in acctng. meth	—	(366,000)
Net Income	$ 1,360,000	$ 3,603,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,308,000 in 1989 and $1,176,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equivalents	$ 468,000	$ 1,091,000
Accts. receiv., net	10,188,000	13,203,000
*Inventories	14,977,000	13,157,000
Prepaid expenses & other current assets	1,948,000	1,016,000
Current Assets	$ 27,581,000	$ 28,467,000
#Fixed assets	8,477,000	9,307,000
Total Assets	$ 36,058,000	$ 37,774,000

Liabilities

Note payable	$ 4,098,000	$ 1,844,000
Long-term debt, curr.	300,000	300,000
Accts. payable & accruals	4,886,000	7,939,000
Income taxes	28,000	571,000
Curr. Liabilities	$ 9,312,000	$ 10,654,000
Long-term debt	6,660,000	7,232,000
Deferred inc. taxes	408,000	811,000
+Common stock	3,131,000	2,071,000
Add. paid-in capital	901,000	826,000
Retained earnings	15,765,000	15,988,000
For. curr. trans. adjust.	(119,000)	192,000
Total Liabilities & Shareholders' Equity	$ 36,058,000	$ 37,774,000

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.46	9.86
%Net Income to Sales	2.99	6.93
%Net Income to Equity	6.91	18.89
Sales to Inventories	3.04	3.95
Debt to Equity	0.56	0.49
Working Capital	$ 18,269,000	$ 17,813,000
Current Ratio	2.96	2.67
Shareholders' Equity	$ 19,678,000	$ 19,077,000

TRW Inc.

1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000
FAX: (216) 291-7629

Officers: Joseph T. Gorman, chairman, president & chief executive officer; J. R. Burnett, exec. v.p. & deputy gen. mgr.-Space and Defense; Edsel D. Dunford, exec. v.p.-Space and Defense; Charles L. Miller, exec. v.p.-occupant restraint systems; Jerry K. Myers, exec. v.p.-automotive; Stephen E. Frank, exec. v.p. & chief financial officer; Timothy W. Hannemann, group v.p.-electronic systems; Robert J. Kohler, group v.p.-Avionics & Surveillance; John P. Stenbit, group v.p.-systems integration; Daniel S. Goldin, group v.p.-space and technology; George L. Schneider, group v.p.-Engine Components; Donald L. Jacobs, v.p. & deputy general mgr.-Internal Operations-Space & Defense; Chester O. Macey, group v.p.-steering systems; Adolf Mueller, group v.p.-controls & fasteners; Edward E. Noneman, v.p.-space & defens; William B. Lawrence, exec. v.p.-Planning, Technology & Government Affairs; Martin A. Coyle, exec.v.p.-general counsel & secretary; Howard V. Knicely, v.p.-human relations; D. Van Skilling, exec. v.p. & gen. mgr.-Information & Services; Robert M. Hamje, chief investment officer.

Directors: Ruben F. Mettler, Robin W. Adam, Charles T. Duncan, Martin Feldstein, Clifton C. Garvin, Jr., W. H. Krome George, Joseph T. Gorman, E. Bradley Jones, William F. Kieschnick, William S. Kiser, Jack S. Parker, P. Roy Vagelos, John S. Foster, Jr..

Areas of Work:

Automotive

A range of steering, engine, safety, hydraulic, chassis, electrical, electronic, and other parts for passenger cars, trucks, buses, farm machinery and off-highway vehicles, sold to original equipment manufacturers and a variety of replacement parts distributors.

Products include manual and power rack and pinion steering gears, occupant safety systems, engine velves, hydraulic motors, hydraulic truck and off-highway vehicle steering systems, suspension systems, electronic monitoring and control systems, electromechanical assemblies, stud welding systems, and a service line of cars and trucks accessories, tools and car care products.

Space & Defense

Computer-based and analytical services, including software systems and analytical services for space and defense; and rapid prototyping software systems that allow customers to determine through computer modeling whether a software system will meet their needs before it is designed.

Electronic systems, equipment, and services for defense and space applications, related research and analysis, and software and support services.

Spacecraft, including the design and manufacture of spacecraft equipment, propulsion subsystems, electro-optical and instrument systems, spacecraft payloads, high-energy lasers and laser technology and other high-reliability components.

Information systems and services, including computer-based consumer and commercial credit information and real estate credit information.

Other
Solids control equipment and services sold primarily for use in oil and gas drilling, on-site environmental waste reduction and clean-up services, and coal combustion systems. Products and services are distributed directly to end users and, to a lesser extent, through independent distributors.

Space & Defense

TRW Defense Systems Group
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Balistic Missiles Division
P.O. Box 1310
San Bernardino, California 92402-1310
(213) 535-4321

ESL Incorporated
495 Java Drive
Sunnyvale, California 94086
(408) 738-2888

Sunnyvale Laboratory
1180 Kern Avenue
Sunnyvale, California 94086
(408) 245-5040

System Development Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

System Development Division
7600 Colshire Drive
McLean, Virginia 22102
(703) 734-6000

Systems Engineering & Development Division
One Space Park
Redondo Beach, California 90278
(213) 217-3003

TRW Electronic Systems Group
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Military Electronics & Avionics Division
One Rancho Carmel
San Diego, California 92128
(619) 592-3000

Milstar Payload Program
One Space Park
Redondo Beach, California 90278-1001
(213) 536-8400

Space Communications Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Federal Systems Group
12900 Fair Lakes Parkway
Fairfax, Virginia 22033
(703) 968-1000

Command Support Division
12900 Fair Lakes Parkway
Fairfax, Virginia 22033
(703) 968-1700

Systems Division
2750 Prosperity Avenue
Fairfax, Virginia 22031
(703) 876-8200

Manufacturing Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

TRW Electronic Products Inc.
3650 North Nevada Avenue
Colorado Springs, Colorado 80907
(303) 475-0660

TRW Electronic Products Inc.
1050 Southwood Drive
San Luis Obispo, California 93401
(805) 544-2786

TRW Space & Technology Group
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Applied Technology Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Capistrano Test Site
P.O. Box m10
San Clemente, California 92672
(714) 492-4157

TRW Pressure Systems Inc.
P.O. Box 6999
Los Angeles, California 90022
(213) 685-4520

Defense Projects Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Engineering & Test Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Federal Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Military Space Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

TRW Components International Inc.
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Goddard Space Flight Center
P.O. Box 385
Greenbelt, Maryland 20770

Houston Systems Services
1110 NASA Read 1
P.O. Box 58327
Houston, Texas 77058-7725
(713) 333-3133

Ogden Engineering Operations
1104 Country Hills Drive
Ogden, Utah 84403
(801) 625-8000

TRW Systems Overseas Inc.
12 Avenue Franklin Roosevelt
1050 Brussels, Belgium
2.640.0585

Vandenberg Test Facility
P.O. Box 5279
Vandenberg AFB, California 93437
(805) 866-7528

Other

Brandt Solids Control Division
P.O. Box 22368
3100 Weslayan, Suite 400
Houston, Texas 77227
A complete line of solids control equipment for the petroleum drilling industry. Applications include the cleaning of drilling fluids and gas separation for both on shore and offshore use.

Information Systems

TRW Information Systems
200 Oceangate, Suite 1200
Long Beach, California 90802
(213) 590-7500
Provides consumer and commercial credit reporting services on a nationwide basis to credit-granting organizations. Markets a broad range of information services to the real estate and financial industries.

Real Estate Information Division
200 Oceangate, Suite 1200
Long Beach, California 90802
(213) 590-7500
Computerized on-line access to title, tax, and real property information to title companies and lending institutions.

Automotive

TRW Automotive Group
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

TRW Steering Components Group
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

Steering & Suspension Division
34201 Van Dyke Avenue
Sterling Heights, Michigan 48077
(313) 977-1000
Steering linkage, suspension ball joints and assemblies, manual and power rack and pinion steering gears.

TRW Engine & General Components Group
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

Valve Division
1455 East 185th Street
Cleveland, Ohio 44110
(216) 383-2121
Engine valves, valve seat inserts, valve retainers, valve retainer locks, valve rotating mechanisms, and forged pistons.

TRW Controls & Fasteners Group
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

TRW Automotive Aftermarket Division
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

Acquisition:

Chilton Corporation
Involved in consumer credit reporting, accounts receivable management, and other related business.

Transfer Agent(s):

TRW Inc.
Cleveland, Ohio

First Chicago Trust Company of New York
New York, New York

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia, London, Frankfurt.

Ticker Symbol: TRW

Number of Employees:

1989	74,300
1988	73,200
1987	77,931
1986	78,556
1985	93,186

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 7,340,000	$ 263,000
1988	6,982,000	261,000
1987	6,821,000	243,000
1986	6,036,000	217,700
1985	5,917,000	(7,088)

	No. of Com. Shares †	Earn. per Share #
1989	60,600,000	$ 4.31
1988	60,200,000	4.29
1987	59,700,000	4.01
1986	58,900,000	3.62
1985	58,100,000	—

(Loss)
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Automotive	$3,[illegible]6,000	47 %	$3,069,000	44 %
Space & defense	3,185,000	43	3,181,000	45
Information syst. & serv.	705,000	10	539,000	8
Other	14,000	—	193,000	3
Total	$7,340,000	100 %	$6,982,000	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.72	—	—
1988	1.63	—	
1987	1.60	—	2-for-1
1986	1.525	—	—
1985	1.50	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity † (000's)	Equity Per Share +
1989	$ 1,734,000	$ 28.60
1988	1,548,000	25.70
1987	1,397,000	23.41
1986	1,173,900	19.93
1985	985,915	16.98

† After allowing for serial preference stock II at aggregate involuntary liquidation price.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 7,340,000	$ 6,982,000
Cost of sales	5,779,000	5,565,000
Expenses	1,036,000	1,095,000
Interest expense	138,000	130,000
Other income	(12,000)	(138,000)
Income before taxes	$ 399,000	$ 420,000
Income taxes	136,000	159,000
Net Income	$ 263,000	$ 261,000

* Included in Costs and Expenses, Depreciation and Amortization: $400,000,000 in 1989 and $349,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & market. secur.	$ 114,000	$ 127,000
Accts. receiv., net	1,431,000	1,286,000
*Inventories	480,000	419,000
Prepaid expenses	67,000	60,000
Deferred inc. taxes	203,000	213,000
Current assets	$ 2,295,000	$ 2,105,000
#Fixed assets	1,954,000	1,793,000
Intangibles	759,000	357,000
Other assets	251,000	187,000
Total Assets	$ 5,259,000	$ 4,442,000

Liabilities
(000's)

	1989	1988
Short-term debt	$ 459,000	$ 96,000
Long-term debt, curr.	34,000	24,000
Accrued compensation	304,000	281,000
Accts. payable	456,000	461,000
Other accruals	443,000	443,000
Dividends payable	26,000	29,000
Income taxes	72,000	62,000
Curr. Liabilities	$ 1,794,000	$ 1,396,000
Long-term liab.	155,000	173,000
Long-term debt	1,063,000	863,000
Deferred inc. taxes	462,000	426,000
Minority interest	36,000	18,000
+Serial preference stock II	1,000	1,000
++Common stock	38,000	38,000
Add. paid-in capital	194,000	191,000
Retained earnings	1,516,000	1,358,000
Cumulative trans. adjust.	48,000	34,000
Treasury stock	(48,000)	(56,000)
Total Liabilities & Shareholders' Equity	$ 5,259,000	$ 4,442,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $2.75 stated value, cumulative. Series 1: $4.40 dividend; Series 3: $4.50 dividend.
++ $0.625 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.44	6.02
% Net Income to Sales	3.58	3.74
% Net Income to Equity	15.04	16.67
Sales to Inventories	15.29	16.66
Debt to Equity	0.89	0.63
Working Capital	$ 501,000,000	$ 709,000,000
Current Ratio	1.28	1.51
Shareholders' Equity	$ 1,749,000,000	$ 1,566,000,000

Tyco Laboratories, Inc.

One Tyco Park
Exeter, New Hampshire 03833
(603) 778-7331
FAX: (603) 778-7700

Officers: John F. Fort, president & chief exec. officer; Joshua M. Berman, secretary; Irving Gutin, sr. v.p.; Richard D. Power, v.p. & chief financial officer; John C. Armacost, v.p.; Richard L. Dunn, treasurer.

Directors: John F. Fort, Joshua M. Berman, Philip M. Hampton, Robert A.G. Monks, Stephen W. Foss, Richard B. Nichols, W. C. Westmoreland, L. Dennis Kozlowski.

Areas of Work: Manufactures fire protection systems; a wide range of fittings, pipe, valves, hangers, electrical conduit, electrical components, and other industrial products; precision multi-layer printed circuit boards for computers and telecommunications; press fit backplane board and connectors, underwater communications and power cable; vacuum metalized plastic films; polyethylene film and plastic products; deep-drawn metal parts for writing instruments.

Divisions and Subsidiaries:

Fire Protection/Flow Control

Grinnell Corporation
Exeter, New Hampshire

Electrical & Electronic Components Group

Atlantic Coast Electronics Division
2681 Northeast 4th Avenue
Pompano Beach, Florida 33064
(305) 943-7300

Atlantic Backplane Company
Fort Lauderdale, Florida

Tyco Backplane Company
Stafford Springs, Connecticut

Tyco Engineered Systems, Inc.
Manchester, Connecticut

Tyco Printed Circuit Group
Stafford, Connecticut

North American Printed Circuits Division
Stafford, Connecticut

Simplex Wire and Cable Company
P.O. Box 479
Portsmouth, New Hampshire
(603) 436-6100

Packaging Materials

Armin Corporation
301 West Side Avenue
Jersey City, New Jersey 07305
(201) 432-8032

Ludlow Corporation
Exeter, New Hampshire

Atcor, Inc.
Manufactures and distributes electrical conduit, pipe, fire protection products, and other electrical components.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York

Ticker Symbol: TYC

Number of Employees:

1989	11,091	1986	10,000
1988	N.A.	1985	7,000
1987	10,600		

N.A.- Not Available

Sales & Earnings

	Net Sales ‡	Net Income †
1989	$ 1,971,093,000	$ 91,261,000
1988	1,574,644,000	66,461,000
1987	1,061,788,000	26,802,000
1986	741,171,000	37,500,000
1985	621,854,000	35,105,000

	No. of Com. Shares #	Earn. per Share †#
1989	39,470,000	$ 2.31
1988	34,420,000	1.93
1987	34,740,000	0.77
1986	34,620,000	1.09
1985	37,680,000	0.94

‡ Of continuing operations only.
† Including extraordinary gain of $2,284,000 ($0.07 per share) in 1986.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1989	1988
Fire protection & flow control prods.	$ 1,234,330	$ 924,405
Electrical supplies & electronic components	403,251	382,173
Packaging materials	333,512	268,066
Total	$ 1,971,093	$ 1,574,644

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.27	—	—
1988	0.24	—	
1987	0.20	—	—
1986	0.20	—	2-for-1
1985	0.19	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 490,883,000	$ 12.44
1988	293,012,000	8.51
1987	235,399,000	6.78
1986	210,303,000	6.07
1985	192,540,000	5.11

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended May 31	1989	1988
Net sales	$ 1,971,093,000	$ 1,574,644,000
Cost of sales	1,530,779,000	1,221,082,000
Expenses	247,436,000	218,986,000
Interest expense	45,044,000	25,137,000
Other expense	1,670,000	4,166,000
Income before taxes	$ 146,164,000	$ 105,273,000
Income taxes	54,903,000	38,812,000
Net Income	$ 91,261,000	$ 66,461,000

* Included in Costs and Expenses, Depreciation and Amortization: $52,261,000 in 1989 and $38,660,000 in 1988.

Assets

As of May 31	1989	1988
Cash	$ 9,898,000	$ 7,401,000
Receiv., net	339,729,000	263,801,000
Contracts in process	28,134,000	17,174,000
*Inventories	336,704,000	307,883,000
Prepaid expenses	13,945,000	9,076,000
Current Assets	$ 728,410,000	$ 605,335,000
#Fixed assets	287,109,000	231,489,000
Cost in exc. of assets acq	365,514,000	91,765,000
Other assets	18,389,000	12,754,000
Total Assets	$ 1,399,422,000	$ 941,343,000

Liabilities

Loans payable & long-term debt, curr.	$ 32,050,000	$ 18,711,000
Accts. payable	145,110,000	99,530,000
Accruals	186,095,000	118,321,000
Contracts in process	12,522,000	14,319,000
Income taxes	41,717,000	24,289,000
Deferred income taxes	18,947,000	26,441,000
Curr. Liabilities	$ 436,441,000	$ 301,611,000
Long-term debt:		
Loans payable	254,500,000	196,500,000
Convert. subord. debentures	—	110,041,000
Senior notes	49,500,000	—
Senior subord. debentures	125,000,000	—
Industrial rev. bonds	16,088,000	17,885,000
+Common stock	20,995,000	17,967,000
Add. paid-in capital	116,724,000	1,929,000
Retained earnings	353,164,000	273,116,000
Total Liabilities & Shareholders' Equity	$ 1,399,422,000	$ 941,343,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.42	6.69
%Net Income to Sales	4.63	4.22
%Net Income to Equity	18.59	22.68
Sales to Inventories	5.85	5.11
Debt to Equity	0.97	1.17
Working Capital	$ 291,969,000	$ 303,724,000
Current Ratio	1.67	2.01
Shareholders' Equity	$ 490,883,000	$ 293,012,000

Tylan Corporation

359 Van Ness Way
Torrance, California 90501
(213) 212-5533

Officers: Edward F. Phillippi, Jr., chairman; Kenneth C. Cleveland, president & chief exec. officer; Klaus K. Schuegraf, v.p. & director of technology; John L. Olson, v.p.-finance, chief financial officer & secretary; Terry S. Mercer, v.p. & gen. mgr.-Flow Products Division.

Directors: William E. Standring, Jr., Roy J. Brown, Edward F. Phillippi, Jr., John D. Hussey, Richard A. Campbell, William F. Kieschnick, Kenneth C. Cleveland.

Business Activities: Designs, develops, manufactures and markets components and systems used to precisely measure and control gas flow. Products include gas flowmeters, gas flow controllers, gas systems and related equipment used to processing silicon wafers and for other industrial gas control applications.

Subsidiaries:

Tylan GmbH
Etching, West Germany

Tylan S.A.R.L.
Lyon, France

Tylan, U.K. Ltd.
Swindon, United Kingdom

Transfer Agent(s):

Bank of America NT & SA
Corporate Agency Services Center
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TYLN (NASDAQ)

Number of Employees:

1988	186	1986	250
1987	202	1985	280

N.A. - Not Available.

Plant Footage:

1988	27,000 sq. ft.	1986	117,000
1987	27,000		

Sales & Earnings

	Net Sales	Net Income
1988	$ 24,830,000	$ 3,163,000
1987	23,256,000	(8,173,000)
1986	28,405,000	(9,458,000)
1985	33,185,000	2,224,000
1984	23,780,000	1,150,000

	No. of Com. Shares ‡	Earn per Share ‡
1988	2,055,000	$ 1.54
1987	2,053,000	—
1986	2,049,000	—
1985	2,053,000	1.08
1984	2,053,000	0.56

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 1,486,000	$ 0.72
1987	273,000	0.13
1986	7,638,000	3.73
1985	15,269,000	7.44
1984	12,987,000	6.33

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1988	1987
Net sales	$ 24,830,000	$ 23,256,000
Cost of sales	15,342,000	15,115,000
Expenses	8,310,000	8,948,000
Interest expense	1,021,000	1,067,000
Other income	(334,000)	(684,000)
Non-recurring item	677,000	5,650,000
Gain on sale of division	(911,000)	(525,000)
Gain on sale of invest. in joint venture	(2,281,000)	—
Inc. (loss) bef. taxes	$ 3,006,000	$ (6,315,000)
Income taxes	319,000	355,000
Eq. in loss (inc.) of joint venture	(476,000)	1,503,000
Net Income (Loss)	$ 3,163,000	$ (8,173,000)

* Included in Costs and Expenses, Depreciation: $785,000 in 1988 and $3,373,000 in 1987.

Assets

As of June 30	1988	1987
Cash	$ 651,000	$ 966,000
Accts. receiv., net	5,354,000	3,951,000
*Inventories	3,783,000	4,838,000
Prepaid expenses	466,000	524,000
Current Assets	$ 10,254,000	$ 10,279,000
#Fixed assets	2,486,000	2,712,000
Invest. in joint venture	—	2,969,000
Other assets	—	377,000
Total Assets	$ 12,740,000	$ 16,337,000

Liabilities

Short-term debt	$ 1,296,000	$ 8,278,000
Long-term debt, curr.	2,039,000	945,000
Accts. payable	2,311,000	1,390,000
Accruals	2,450,000	3,660,000
Income taxes	284,000	244,000
Curr. Liabilities	$ 8,380,000	$ 14,517,000

Long-term debt	2,874,000	1,547,000
+Common stock	4,059,000	4,059,000
Retained earnings (deficit)	(2,853,000)	(6,016,000)
Curr. trans. adj.	280,000	2,230,000
Total Liabilities & Shareholders' Equity	$ 12,740,000	$ 16,337,000

• At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	12.11	—
%Net Income to Sales	12.74	—
Sales to Inventories	6.56	4.81
Debt to Equity	4.18	—
Working Capital	$ 1,874,000	—
Current Ratio	1.22	—
Shareholders' Equity	$ 1,486,000	$ 273,000

UNC Incorporated

175 Admiral Cochrane Drive
Annapolis, Maryland 21401-7394
(301) 266-7333
FAX: (301) 266-5706

Officers: Dan A. Colussy, president & chief executive officer; Robert D. Boyne, group v.p.-aviation; Nicholas C. Kaufman, group v.p.-technology; Marc R. Jartman, v.p.-government affairs & marketing; Richard H. Lange, v.p., general counsel & secretary; Paul X. McLain, v.p.-financial controls; Robert L. Pevenstein, v.p.-finance & chief financial officer; Bruce R. Robinson, v.p.-corp. development; John S. Hoover, v.p.; Gregory M. Bubb, treasurer.

Directors: Frederick Aley Allan, John K. Castle, Dan A. Colussy, H. Justin Davidson, William C. Hittinger, James L. Holloway, III, Jack Moseley, George V. McGowan, Lawrence A. Skantze.

Areas of Work: Operates through two business segments: Aerospace/Aviation provides precision fabrication of jet engine and aircraft components, turbine engine overhaul services for business and military aircraft and commuter and regional airlines. The Technology segment includes the production and fabrication of power units used for naval submarines, provides pilot training for the U/S. Arned Services and line maintenance and operational support for military training aircraft, and engineering, reclamation and remedial action services.

Divisions and Subsidiaries:

Aerospace/Aviation

Tri-Industries, Inc.
Terre Haute, Indiana
(812) 234-1591

Alloy Spot Welders
West Los Angeles, California
(213) 272-0297

Component Repair Division
Terre Haute, Indiana
(812) 234-1591

Airwork Corporation
Millville, New Jersey
(609) 825-6000

Pacific Airmotive Corporation
Burbank, California
(818) 842-5171

Aircraft Turbine Service
Bayshore, New York
(516) 242-4330

Technology:

UNC Support Services

UNC Analytical Services
Albuquerque, New Mexico
(505) 883-6901

UNC Naval Products
Uncasville, Connecticut
(203) 848-1511

UNC Geotech
Grand Junction, Colorado
(303) 242-8621

UNC Reclamation
Mulberry, Florida
(813) 428-1457

UNC Remediation
Grand Junction, Colorado
(303) 243-8970

Tranfer Agent(s):

Manufacturers Hanover Trust Company
Securities Holder Relations Dept.
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: UNC

Number of Employees:

1989	5,014	1986	6,295
1988	3,768	1985	6,175
1987	4,260		

Plant Footage:

1989	1,240,000 sq. ft.	1987	1,070,070
1988	1,132,560	1986	950,070

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 471,024,000	$ 11,000
1988	400,444,000	23,850,000
1987	355,630,000	18,077,000
1986	253,757,000	17,889,000
1985	133,717,000	17,698,000

	No. of Com. Shares ‡	Earn per Share † ‡
1989	16,994,000	$ —
1988	16,822,000	1.42
1987	16,132,000	1.12
1986	17,545,000	1.02
1985	21,926,000	0.81

+ Of continuing operations only.
† Including extraordinary gains of $7,203,000 ($0.44 per share) in 1987, $7,375,000 ($0.42 per share) in 1986 and $8,428,000 ($0.38 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Aerospace/Aviation	$ 247,483,000	$ 223,220,000
Technology	223,541,000	177,224,000
Total	$ 471,024,000	$ 400,444,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 131,216,000	$ 7.72
1988	134,059,000	7.97
1987	108,078,000	6.70
1986	97,675,000	5.57
1985	154,433,000	7.04

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales & oper. revenues	$ 471,024	$ 400,444
Cost of sales	390,888	324,303
Expenses	55,813	51,374
Interest expense	20,634	16,460
Interest income	(761)	(688)
Prov. for plant consol.	4,422	—
Other expense (income)	(610)	385
Income before taxes	$ 638	$ 8,610
Income taxes	627	896
Income from cont. oper.	$ 11	$ 7,714
Income from discont. oper.	—	12,221
Cum. effect of acct. change	—	3,915
Net Income	$ 11	$ 23,850

* Included in Costs and Expenses, Depreciation and Amortization: $15,089,000 in 1989 and $21,147,000 in 1988.

Assets
(000's)

As of Dec.	1989	1988
Cash & short-term invest.	$ 2,341	$ 7,536
Accts. receiv., net	94,733	75,535
Unbilled costs on contracts	22,440	42,867
*Inventories	86,904	67,089
Other curr. assets	4,816	6,916
Current Assets	$ 211,234	$ 199,943
Net assets of discont. oper.	9,412	10,560
#Fixed assets	144,440	103,563
Costs in exc. of assets acq.	100,111	79,698
Other assets	16,509	14,223
Total Assets	$ 481,706	$ 407,987

Liabilities
(000's)

Short-term debt	$ [illegible],200	$ 4,000
Long-term debt, curr.	949	1,028
Accts. payable	24,226	27,307
Accruals & other curr. liab.	55,499	44,389
Income taxes	142	1,337
Curr. Liabilities	$ 83,016	$ 78,061
Long-term debt	229,924	158,103
Deferred inc. taxes	1,633	2,275
Other liabilities	35,917	35,489
+Common stock	3,553	3,520
Add. paid-in capital	120,291	123,178
Retained earnings	16,122	16,111
Treasury stock	(8,750)	(8,750)
Total Liabilities & Shareholders' Equity	$ 481,706	$ 407,987

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Net Income to Equity	0.01	14.87
Debt to Equity	1.78	1.22
Working Capital	$ 128,218,000	$ 121,882,000
Current Ratio	2.54	2.56
Shareholders' Equity	$ 131,216,000	$ 134,059,000

Unisys Corporation

Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, Pennsylvania 19424-0001
(215) 542-4011
FAX: (215) 542-6850

Officers: James A. Unruh, chairman & chief executive officer; Frederick F. Jenny, sr. v.p.; Richard H. Bierly, v.p.; Hollis L. Caswell, sr. v.p.; Curtis A. Hessler, vice chairman; Jack A. Blaine, v.p.; Fred R. Meier, v.p.; Jeanette P. Lerman, v.p.; Jack F. Thompson, v.p.; Stefan C. Riesenfeld, v.p. & corp. treasurer; Leroy W. Beers, v.p.; Cyril J. Yansouni, sr. v.p.; Martin A. Belsky, v.p.; Richard B. Williams, v.p.; Eric A. Croson, v.p. & corp. controller; John J. Holton, v.p.; Reto Braun, v.p.; George R. Gazerwitz, v.p.; Gary Alexander, v.p.; G. Graham Murphy, sr. v.p.; Dewaine C. Osman, v.p.; Vincent Puritano, v.p.; Orville G. Greene, v.p.; Jack F. McHale, v.p.; Albert F. Zettlemoyer, v.p.; Joseph M. Tucci, v.p.; Kenneth L. Miller, v.p. & corp. secretary; George T. Robson, v.p. & chief financial officer; Andrew D. Hendry, v.p. & general counsel; I. Charles Beauchamp, general auditor; Bobette Jones, asst. secretary; Ronald C. Anderson, asst. secretary; Jack R. Silverberg, asst. treasurer; James L. Murtaugh, v.p.; Richard A. Albright, asst. treasurer; Robert S. Manturuk, asst. treasurer; Peter S. Noll, asst. treasurer.

Directors: James A. Unruh, William G. Milliken, Kenneth A. Macke, Alan E. Schwartz, Arthur R. Seder, Jr., Robert M. Surdam, Alice M. Rivlin, Donald V. Seibert, Melvin R. Goodes, Richard R. Shinn, Curtis A. Hessler.

Areas of Work: Engaged in designing, engineering, manufacturing, marketing and supporting electronics-based information systems, including commercial information systems and defense and other systems for government customers, and related equipment and services, including software. Principal products and services include processors and peripherals; entry systems and workstations; software and related services; custom products and services; and equipment maintenance services. Included with processors and peripherals are a complete line of small, medium and large mainframes and related communication processors and peripheral products, such as printers, storage devices and document handling equipment. Entry systems and workstations include departmental systems, intelligent workstations, UNIX equipment, terminals and personal computers. Software and related services consist of application and systems software, along with related professional services. Custom products and services include specialized information processing systems and services marketed mainly to government defense agencies.

Subsidiaries:

Burroughs International Company
Wilmington, Delaware

Compania Burroughs de Maquinas, S.A.
Ingeniero Heurgo 965
Buenos Aires, Argentina

Burroughs Datenverarbeitung Gesellshaft m.b.H.
Moering Gasse 10
A-1151 Vienna, Austria

Burroughs Machines Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs Machines (Hong Kong) Ltd.
B300, Black 'B', Watson's Estate
Watson Road
North Point, Hong Kong

Burroughs A/S
P.O. Box 40-Bestun
Oslo 2, Norway

TATA Burroughs Ltd.
Manish Commercial Centre-5th Floor
Dr. Anni E. Seasant Rd.
Worli, Bombay 400-025, India

Burroughs Machines, Limited
P.O Box 3996
Johannesburg, Transvaal, South Africa

Burroughs International S.A.
18, Rue St. Pierre
1700 Fribourg,, Switzerland

BMRX Holding (Denmark) A/S
BMX Holdings Limited (95% owned)
BMX Incorporated
BMX Information Systems (UK) Limited
Brazilian Equity, Inc.
Burmex Holding Sweden Aktiebolag (70% owned)
Burroughs Aktiegolag
Burroughs Cyberware Canada Inc.
Burroughs Cyberware Inc. (50% owned)
Burroughs-Cyberware Pte. Ltd.
Burroughs de Venezuela C.A.
Burroughs International Finance N.V.
Burroughs International Government Sales, Inc.
Burroughs International Procurement Co., Inc.
Borroughs International Trading Company
Burroughs-Memorex S.p.A.
Burroughs Mexican Manufacturing, Inc.
Burroughs Overseas Sales Company Limited
Burroughs Systems Incorporated
Burroughs Transport Corporation
C3 Pty. Limited (Australia) (49% interest)
Compania Burroughs de Venezuela, Inc.
Compubur, S.A. de C.V. (Mexico)
Foundation Computer Systems, Inc.
Future Systems Limited (New Zealand)
Graphics Technology Disc, Inc.
Harrison Credit Group, Inc. (50% interest)
HCG Services, Inc.
Inplex Corporation
Integration Installation International, Inc.
Japan Softec Co., Ltd. (Japan) (50% interest)
Joseph & Cogan Associates, Inc.
Marine Systems S.p.A. (Italy)
MEM-MEX S.A. de C.V. (Mexico)
MIFCO B.V. (Netherlands)
Nippon Univac Kaisha, Ltd. (Japan) (33% interest)
Oki Univac Kaisha, Ltd. (Japan) (48% interest)
OY Unisys AB (Finland)
Paramax Electronics Inc. (Canada)
Plasma Graphics Corporation (80% owned)
Ramac Services Corporation
Remdex, S.p.A. (Italy)
SDC (1981) Limited (50% interest)
Solar Sociedade Lusitana de Organizacoes, Ltd. (Portugal)
South American Equities, Inc.
SP-Marine Inc.
Sperry Arabia Limited (Saudi Arabia) (49% interest)
Sperry A/S (Norway)
Sperry Asia, Inc.
Sperry Ges. m.b.H.
Sperry Capital Management Corporation
Sperry Cayman Islands
Sperry Curaco N.V. (Netherlands Antilles)
Sperry Dalmo Victor, Inc. (50% interest)
Sperry Finance Company Pty. Ltd. (Australia)
Sperry Finance Inc. (Canada)
Sperry Financial Corporation
Sperry Finanz AG (Switzerland)
Sperry Ges. m.b.H. (Austria)
Sperry (Hong Kong) Limited
Sperry Holding AB (Sweden)
Sperry Holding Company, Inc.
Sperry Industria e Comercio Ltda. (Brazil)
Sperry Insurance Company Ltd. (Bermuda)
Sperry International Capital Corporation
Sperry International Finance Corporation B.V. (Netherlands)
Sperry International Foreign Sales Corporation (Virgin Islands)
Sperry International Marketing AG (Switzerland)
Sperry International Services Company, Inc.
Sperry International Trade, Inc.
Sperry Lease Finance Corporation
Sperry Leasing Corp.
Sperry Limited (England)
Sperry Limited (Australia)
Sperry Mapper Services, Inc.
Sperry Overseas Corporation (Switzerland)
Sperry Overseas N.V. (Netherlands Antilles)
Sperry Overseas Services Corporation
Sperry (Proprietary) Limited (South Africa)
Sperry Rand Corporation
Sperry Rand International Corporation (Switzerland)
Sperry S.A. (Argentina)
Sperry S.A. (France)
Sperry S.A. (Spain)
Sperry, S.A. de C.V. (Mexico)
Sperry Trustees Limited (England)
Sperry World Trade, Inc.
Sperry Zentrallager Europa GmbH (West Germany)
STS Limited (Australia) (51% owned)
Synercom Australia Pty. Limited
System Development Corporation
Trade and Industry Sperry L.L.C. (Greece)
U.K. Holdings 1 Ltd.
U.K. Holdings 2 Ltd.
Unisys A/S (Denmark) (52% owned)
Unisys (Asia) Limited (Hong Kong)
Unisys Australia Limited
Unisys Belgium (58% owned)
Unisys Canada Inc. (54% owned)
Unisys China Investments Inc.
Unisys China Limited
Unisys China Services, Inc.
Unisys (Chile) Corporation
Unisys de Centro America, S.A.
Unisys de Colombia, S.A.
Unisys de Mexico, S.A. de C.V.
Unisys del Peru Corporation
Unisys Deutschland G.m.b.H. (West Germany)
Unisys Electronica Ltda. (Brazil)
Unisys Espana, S.A. (Spain)
Unisys Europe-Africa, Limited (England)
Unisys Finance Corporation
Unisys France
Unisys (Hong Kong) Ltd.
Unisys International (Singapore) Pte. Ltd.
Unisys Italia S.p.A.
Unisys Limited (England)
Unisys Ltd. (Korea)
Unisys Nederland N.V.
Unisys New Zealand Limited
Unisys PRC Limited
Unisys Peripherals Corporation
Unisys Pte. Ltd. (Singapore)
Unisys Puerto Rico, Inc.
Unisys (Schweiz) A.G. (Switzerland)
Unisys Sweden AB
Unisys (Taiwan) Limited
Univac (1967) Limited (New Zealand)

Burroughs Caribbean Limited
P.O. Box 69
Cross Roads
Kingston 5, Jamaica, W.I.

Burroughs Electronica (Portugal) Ltda.
Rua Gregorio Lopes
Lote 1514
Lisbon-3 (Restelo), Portugal

Galactic Assurance Group Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Formularious E Suprimentos Burroughs Ltda.
Rio De Janeiro, Est. de Guanbara, Brazil

Burroughs Co. Ltd.
Hanzomon Building
7.1 chrome, Kojimachi
Chiyoda Ku, Tokyo 102, Japan

Industrias Mexicanas Burroughs, S.A. de C.V.
Guadalajara Jalisco, Mexico

Burroughs Europe-Africa, Inc.
Burroughs Pacific, Inc.
Burroughs Overseas Limited
Burroughs Pacific Finance Limited

Graftek, Inc.
Boulder, Colorado
Manufactures and develops CAD/CAM systems. Graftek specializes in software applications such as mechanical design, automated drafting, numerical control programming and plastic injection-mold design and analysis.

Sperry Corporation
1290 Avenue of the Americas
New York, New York 10104
(212) 484-4444

Convergent, Inc
2700 North First Street
San Jose, California 95150-6685
(408) 434-2848
Develops, manufactures and markets microprocessor-based computers and computer systems used in a variety of networked computing applications.

Timeplex, Inc.
400 Chestnut Ridge Road
Woodcliff Lake, New Jersey 07675
(201) 391-1111

Designs, manufactures, markets and services electronic data communications systems and equipment, and produces and distributes data multiplexers.

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York*, Midwest*, Pacific*, Cincinnati, London, Amsterdam, Antwerp, Basel, Brussels, Geneva, Lausanne, Zurich *Listed.

Ticker Symbol: UIS

Number of Employees:

1989	82,300	1986	98,300
1988	93,000	1985	60,500
1987	92,500		

Plant Footage:

1989	N. A.	1986	24,300,000
1988	23,633,000 sq. ft.	1985	8,885,000
1987	22,000,000		

N. A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1989	$10,096,900,000	$ (639,300,000)
1988	9,935,200,000	680,600,000
1987	9,732,000,000	578,000,000
1986	7,431,200,000	(43,400,000)
1985	5,037,700,000	248,200,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	158,366,000	$ —
1988	160,359,000	3.58
1987	151,023,000	3.15
1986	137,419,000	--
1985	136,361,000	1.82

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Mainframes & peripherals	$ 2,983,700	$ 2,983,200
Distrib. syst. & workstations	1,496,200	1,394,400
Software & related services	1,826,900	1,672,400
Equipment maintenance	1,947,400	1,971,600
Custom products & services	1,635,700	1,725,400
Other	207,000	188,200
Total	$ 10,096,900	$ 9,935,200

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.00	—	—
1988	0.98	—	
1987	0.90 2/3	—	3-for-1
1986	0.86 2/3	—	—
1985	0.86 2/3	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 2,452,900 †	$ 15.49
1988	3,526,100 †	22.24
1987	3,118,300 †	20.90
1986	2,396,600 †	17.31
1985	2,492,400	18.24

† After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 6,965,500	$ 6,804,200
Rentals & service revenue	3,131,400	3,131,000
Total income	$ 10,096,900	$ 9,935,200
Cost of sales	4,752,100	3,780,700
Cost of rentals & service	2,064,000	1,808,200
Expenses	3,491,000	3,240,200
Interest expense	425,700	304,500
Interest & other income	(81,600)	(157,000)
Inc. (loss) bef. taxes	$ (554,300)	$ 958,600
Income taxes	85,000	278,000
Net Income (Loss)	$ (639,300)	$ 680,600

* Included in Costs and Expenses, Depreciation: $533,500,000 in 1989 and $593,200,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 9,200	$ 26,300
Accts. & notes receiv., net	2,697,600	2,784,600
*Inventories	1,760,900	2,483,600
Prepaid expenses	615,300	520,700
Current Assets	$ 5,083,000	$ 5,815,200
Long-term receiv.	930,400	864,100
Rental equip.	219,200	272,400
#Fixed assets	1,855,300	2,003,000
Cost in exc. of assets acq.	1,579,500	1,599,900
Investments	249,900	192,200
Other assets	833,700	787,800
Total Assets	$ 10,751,000	$ 11,534,600

Liabilities
(000's)

Notes payable	$ 451,800	$ 343,100
Long-term debt, curr.	264,400	117,100
Accts. payable	1,202,000	1,252,000
Other accruals	1,166,700	1,176,300
Dividends payable	61,800	61,900
Income taxes	390,300	481,200
Curr. Liabilities	$ 3,537,000	$ 3,431,600
Long-term debt	3,247,800	3,078,100
Deferred inc. taxes	84,400	70,000
+Preferred stock	1,428,900	1,428,800
++Common stock	797,300	797,300
Add. paid-in capital	416,300	437,800
Retained earnings	1,529,500	2,434,600
Treasury stock	(21,500)	(24,800)
Currency translation adjustment	(268,700)	(118,800)
Total Liabilities Shareholders' Equity	$ 10,751,000	$ 11,534 600

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value; $3.75 cumulative.
++ $5 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	9.65
%Net Income to Revenues	—	6.85
%Net Income to Equity	—	13.74
Debt to Equity	1.02	0.71
Working Capital	$ 1,546,000,000	$ 2,383,600,000
Current Ratio	1.44	1.69
Shareholders' Equity	$ 3,881,800,000	$ 4,954,900,000

United Industrial Corporation

18 East 48th Street
New York, New York 10017
(212) 752-8787
FAX: (212) 838-4629

Officers: Bernard Fein, chairman of the board & president; Howard M. Bloch, secretary & treasurer; Michael P. Coppins, asst. secretary; Edward A. Smolinski, asst. secretary.

Directors: Bernard Fein, chairman; Ben Feit, Howard M. Bloch, Myron Simons, Edward M. Melton, Rick S. Bierman.

Areas of Work: Designs, manufactures and markets electronics, aerospace systems, and weaponry for the United States and its allies, energy systems for industries and utilities, and specialized plastic products.

Subsidiaries:

AAI Corporation
Cockeysville, Maryland
Orlando, Florida
Oakland, California

Engaged in the development and manufacture of automatic test equipment for aircraft; weapons, ammunition and fuzing; material handling equipment; simulators for electronic warfare trianing (SEWT); and energy systems.

Neo Products Company
Chicago, Illinois

Producer of custom thermoplastic parts for the merchandisers of major appliances.

Detroit Stoker Company
Monroe & Marshall, Michigan
Columbus, Ohio

Engaged in the manufacture and sale of industrial stokers, combustion systems, pneumatic and hydraulic conveying systems, incinerator equipment, rotary seal feeders, shredders, grapples, and replacement parts.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: UIC

Number of Employees:

1989	3,400	1986	4,050
1988	4,200	1985	3,740
1987	4,660		

Plant Footage:

1989	1,480,356 sq. ft.	1987	1,461,671
1988	1,451,571	1986	1,370,766

Sales & Earnings

	Net Sales †	Net Income
1989	$ 280,783,000	$ 8,004,000
1988	314,986,000	16,869,000
1987	297,501,000	14,302,000
1986	272,508,000	(9,174,000)
1985	269,378,000	29,054,000

	No. of Com. Shares +	Earn. per Share #
1989	13,009,000	$ 0.61
1988	13,093,000	1.29
1987	13,186,000	1.07
1986	13,325,000	—
1985	13,303,000	2.18

(Loss)
† Of continuing operations only.
+ Adjusted to reflect stock dividends.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1989	1988
Defense	$ 234,825,000	$ 273,341,000
Energy systems	39,967,000	36,111,000
Plastic products	5,991,000	5,534,000
Total	$ 280,783,000	$ 314,986,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.64	—	—
1988	0.64	—	
1987	0.64	—	—
1986	0.58	10%	—
1985	0.49	10%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 103,491,000	$ 7.96
1988	104,868,000	8.01
1987	97,569,000	7.40
1986	93,267,000	7.00
1985	109,954,000	8.27

† Adjusted to reflect stock dividends.

Income Account*

Year ended Dec. 31	1989	1988
Net sales	$ 280,783,000	$ 314,986,000
Cost of sales	207,837,000	236,541,000
Write-off of claim receiv.	9,992,000	—
Expenses	51,781,000	54,668,000
Interest expense (income)	14,000	(1,128,000)
Other income	(747,000)	(266,000)
Income bef. taxes	$ 11,906,000	$ 25,171,000
Income taxes	3,902,000	8,302,000
Net Income	$ 8,004,000	$ 16,869,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,050,000 in 1989 and $9,237,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 2,066,000	$ 3,419,000
Trade receiv, net	44,645,000	55,988,000
*Inventories	78,117,000	69,959,000
Prepaid expenses	4,842,000	3,307,000
Current Assets	$ 129,670,000	$ 132,673,000
#Fixed assets	62,159,000	65,390,000
Other assets	54,019,000	61,321,000
Total Assets	$ 245,848,000	$ 259,384,000

Liabilities

Notes payable	$ 46,530,000	$ 44,800,000
Long-term debt, curr.	410,000	383,000
Accts. payable	12,174,000	18,510,000
Accrued payroll	9,332,000	9,907,000
Cust. advances	2,526,000	1,152,000
Federal inc. taxes	—	2,643,000
Other liabilities	9,198,000	10,242,000
Deferred inc. taxes	28,022,000	33,038,000
Curr. Liabilities	$ 108,192,000	$ 120,675,000
Long-term debt	12,662,000	13,073,000
Deferred inc. taxes	21,503,000	20,768,000
+Common stock	14,359,000	14,359,000
Add. paid-in capital	99,377,000	99,377,000
Retained earning	240,000	598,000
Treasury stock	(10,485,000)	(9,466,000)
Total Liabilities & Shareholders' Equity	$ 245,848,000	$ 259,384,000

* At lower of cost (LIFO, actual, average, standard) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.24	7.99
%Net Income to Sales	2.85	5.36
%Net Income to Equity	7.73	16.09
Sales to Inventories	3.59	4.50
Debt to Equity	0.58	0.56
Working Capital	$ 21,478,000	$ 11,998,000
Current Ratio	1.20	1.10
Shareholders' Equity	$ 103,491,000	$ 104,868,000

United Technologies Corporation

United Technologies Building

Hartford, Connecticut 06101
(203) 728-7000
FAX: (203) 728-7907

Officers: Robert F. Daniell, chairman & chief exec. officer; John A. Rolls, exec. v.p. & chief financial officer; Edward W. Large, exec. v.p.; Sidney F. McKenna, sr. v.p.-public affairs; William F. Paul, sr. v.p.-defense & space systems; Edward M. Irving, sr. v.p., & exec. v.p.-aerospace/defense; Martin R. Lewis, Jr., v.p., secretary & deputy gen. counsel; Albert J. Kelley, sr. v.p.-strategic planning; J. Thomas Bouchard, sr. v.p.-human resources & organization; Franklin J. Parisi, v.p.-communications; Jeffrey L. Kushner, v.p.; Mark S. Coran, v.p. & controller; Irving B. Yoskowitz, sr. v.p. & general counsel; William A. Wilson, president & chief exec. officer-Carrier; Karl J. Krapek, president & chief operating officer-Otis; George A.L. David, exec. v.p., & president-commercial/industrial; Edward M. Irving, sr. v.p.-Industrial Group & president-UT Automotive; Frank W. McAbee, Jr., v.p.-government contracts & compliance; Arthur E. Wegner, exec. v.p., & president-aerospace/defense; Selwyn D. Berson, group v.p. & president-commercial engine business, Pratt & Whitney Group; William C. Missimer, group v.p. & pres.-government engine business-Pratt & Whitney Group; Norman R. Bodine, president-Automotive Products Division, UT Automotive; Terry D. Stinson, president-Hamilton Standard; Frederick Hay, president-Components Division, UT Automotive; James G. O'Connor, group v.p.-operations-Pratt & Whitney Group; L. David Caplan, president & chief exec. officer-Pratt & Whitney Canada Inc.; John M. Hammitt, v.p.-information systems; William J. Evans, v.p.-space systems; William H. Trachsel, v.p. & deputy gen. counsel; Harvey I. White, v.p.-corp. purchasing; Pierre J. Fougeron, president-European & Transcontinental Operations-Otis; Edwin D. Decker, president-Norden Systems; Eugene Buckley, president-Sikorsky Aircraft; Franklyn A. Caine, v.p. & treasurer; Robert J. Hermann, v.p.-science & technology; William H. Peace, president-European Transcontinental operations-Carrier; Vernon K. Stait, president-Pacific area operations-Otis.

Directors: Robert F. Daniell*, chairman; T. Mitchell Ford *, Howard Baker, Jr., Richard S. Smith *, Jacqueline G. Wexler, Antonia H. Chayes, Gerald D. Hines, Robert F. Dee, Charles W. Duncan, Jr., Pehr G. Gyllenhammar, Robert H. Malott *, John S. Reed.

* Member of the Executive Committee

Areas of Work: Vertical-lift aircraft for military and civil operation and precision systems for flight, including environmental engine, air-inlet, and wing-sweep actuator controls; airborne integrated data systems and flight recorders; airborne radar and cockpit displays systems; propellers; solid propellant rocket boosters and motors; liquid-fueled and hybrid rocket engines; space life support, environmental, guidance, and power systems; altitude control thrusters; turbine aircraft engines in a range of power ratings; gas turbines and allied equipment for electrical power generation, industrial process, natural gas transmission, and marine propulsion; computerized diagnostic and control systems for the automotive and other industries; laser welding systems for industry: elevators and escalators; air conditioning, advanced business communication, electronic energy management control and intergrated building systems and services; automotive components and systems.

Divisions and Subsidiaries:

Pratt & Whitney
East Hartford, Connecticut 06108
(203) 565-4321

Otis Group, Inc.
10 Farmspring
Farmington, Connecticut 06032
(203) 674-4000

Hamilton Standard
Bradley International Airport
Winsor Locks, Connecticut 06096
(203) 623-1621

Sikorsky Aircraft
Stratford, Connecticut 06497
(203) 378-6361

Norden Systems, Inc.
Helen Street
Norwalk, Connecticut 06856
(203) 838-4471

United Technologies Research Center
East Hartford, Connecticut 06108
(203) 565-4321

Pratt & Whitney Aircraft of West Virginia, Inc.
P.O. Box 245
Bridgeport, West Virginia 26330
(304) 842-5421

United Technologies International Incorporated
Hartford, Connecticut 06108
(203) 728-7630

Pratt & Whitney Aircraft of Canada Limited (97% owned)
P.O. Box 10
Longueuil, Quebec, Canada
(514) 677-9411

Carrier Corporation
6304 Carrier Parkway
P.O. Box 4808
Syracuse, New York 13221
(315) 424-4711
Engaged in the manufacture and sale of air conditioning equipment and energy processing equipment.

UT Automotive
Manufactures wire harness systems; DC electric motors and actuators; electromechanical/electronic switches and modules; interior trim systems and components; and hydraulic systems and components.

Control Systems
Products and services include automotive emissions test equipment and inspection services; computer-based automotive repair and diagnostic equipment and services; electronic and electromechanical control systems and components.

Missiles and Space Systems
Products and services include space launch systems; processing and refurbishing nonmotor segments of space shuttle's booster; high-technology optical systems; and solid rocket motors for strategic and tactical weapons systems.

Acquisition:

Sheller-Globe Corporation
Designs, engineers, manufactures and distributes a wide range of components used as production and replacement parts in cars, trucks and other vehicles and specializes in interior components for such vehicles.

Transfer Agent(s):

First Chicago Trust Company of New York
(common stock and $4.50 preferred stock)
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, London, Paris, Frankfurt, Geneva, Basel, Zurich, Brussels, Amsterdam, Lausanne.

Ticker Symbol: UTX

Number of Employees:

1989	201,400	1986	193,500
1988	186,800	1985	184,000
1987	190,000		

Plant Footage:

1989	N.A.	1987	58,993,000 sq. ft.
1988	N.A.	1986	60,624,000

N.A. - Not Available.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 19,532,100	$ 702,100
1988	18,000,100	659,100
1987	17,170,200	591,700
1986	15,669,200	72,700
1985	14,991,700	312,700

	No. of Com. Shares ‡	Earn. per Share ‡
1989	128,693,058	$ 5.34
1988	130,608,493	5.05
1987	131,026,367	4.52
1986	122,795,258	0.27
1985	122,538,718	2.12

+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Power	$ 6,991,100	$ 6,346,700
Flight systems	3,592,100	3,505,800
Building syst.	7,260,700	6,523,300
Indust. prods. for auto. & other	1,931,600	1,965,800
Other	217,100	217,400
Eliminations	(236,100)	(41,100)
Total	$ 19,756,500	$ 18,517,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.60	—	—
1988	1.55	—	
1987	1.40	—	—
1986	1.40	—	—
1985	1.40	—	—

Common Stock Equity

	Total Equity + (000's)	Equity Per Share
1989	$ 4,739,400	$ 39.14
1988	4,822,400	36.88
1987	4,291,000	32.90
1986	3,801,400	29.14
1985	3,848,800	31.32

+ After allowing for preferred stock at aggregate liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 19,532,100	$ 18,000,100
Other income	224,400	517,800
Total income	$ 19,756,500	$ 18,517,900
Cost of sales & services	14,382,200	13,486,000
Expenses	3,767,400	3,554,900
Interest expense	346,500	312,100
Income before taxes	$ 1,260,400	$ 1,164,900
Income taxes	497,800	460,100
Minority interest	60,500	45,700
Net Income	$ 702,100	$ 659,100

* Included in Cost and Expenses, Depreciation: $590,900,000 in 1989 and $536,400,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 266,500	$ 242,600
Accts. receiv., net	3,455,500	2,785,600
Fut. inc. tax ben.	597,600	642,400
* Inventories	3,911,200	4,201,400
Prepaid expenses	276,000	116,600
Current Assets	$ 8,506,800	$ 7,988,600
Accts. & notes receiv.	437,900	340,600
Other investments	343,900	334,800
# Fixed assets	3,951,900	3,406,600
Costs in exc. of assets acq.	668,000	260,900
Prepaid pension costs	689,700	416,800
Total Assets	$ 14,598,200	$ 12,748,300

Liabilities
(000's)

Short-term borrowings	$ 1,281,000	$ 323,800
Long-term debt, curr.	292,600	261,700
Accts. payable	1,869,000	1,545,800
Accruals	2,126,100	1,890,300
Income taxes	283,600	351,300
Advances on contracts	523,800	575,200
Curr. Liabilities	$ 6,376,100	$ 4,948,100
Long-term debt	1,959,600	1,642,800
Deferred inc. taxes	404,400	371,000
Other liabilities	841,400	726,700
Minority interest	276,400	236,300
+ Series A ESOP Pref. stock	660,000	—
ESOP notes receiv.	(660,000)	—
++ Preferred stock	900	900
+++ Common stock	1,772,700	1,720,500
Deferred trans. adjust.	(36,000)	(14,000)
Retained earnings	3,596,400	3,116,000
Treasury stock	(593,700)	—
Total Liabilities & Shareholders' Equity	$ 14,598,200	$ 12,748,300

* At lower of cost or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value, $4.80 convertible.
++ $1 par value; $4.50 convertible.
+++ $5 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.45	6.47
% Net Income to Sales	3.59	3.66
% Net Income to Equity	14.81	4.28
Sales to Inventories	4.99	13.66
Debt to Equity	0.75	0.46
Working Capital	$ 2,130,700,000	$ 3,040,500,000
Current Ratio	1.33	1.61
Shareholders' Equity	$ 4,740,300,000	$ 4,823,400,000

United Telecommunications, Inc.

2330 Shawnee Mission Parkway
Westwood, Kansas 66205
(913) 676-3000
FAX: (913) 676-3281

Mailing address:
P.O. Box 11315
Kansas City, Missouri 64112

Officers: William T. Esrey, chairman, president & chief executive officer; Arthur B. Krause, exec. v.p. & chief financial officer; Curtis G. Fields, pres.- local telecommunications division; Ronald T. LeMay, pres.-long distance division; J. Richard Devlin, exec. v.p.-law and external affairs; M. Jeannine Strandjord, v.p. & treasurer; William J. Gunter, v.p. & controller; Don A. Jensen, v.p. & secretary; David D. King, exec. v.p.-chief human resource, technology and planning officer.

Directors: Warren L. Batts, Ruth M. Davis, William T. Esrey, Donald J. Hall, Paul H. Henson, Harold S. Hook, Carl Horn, Jr., Lewis W. Lehr, James F. McDonald, Charles E. Rice, Stewart Turley, Charles H. Price, II.

Areas of Work: United Telecom is a diversified telecommunications holding company. United's local telephone companies (United Telephone System) serve 3.9 million access lines in 17 states (year-end 1989). United's long distance division, US Sprint, provides long-distance voice, data, and video telecommunications services both domestically and internationally (united owns 80.1% of US Sprint; GTE owns 19.9%). United also owns subsidiaries engaged in telecommunications product distribution and telephone directory publication.

Subsidiaries:

DirectoriesAmerica
7015 College Blvd.
Suite 400
Overland Park, Kansas 66211

North Supply Company
600 Industrial Parkway
Industrial Airport, Kansas 66031
(913) 791-7000

United Telephone System, Inc.
P.O. Box 11315
Kansas City, Missouri 64112
(913) 676-3000
Consists of the following companies:

Carolina Telephone and Telegraph Co.
720 Western Blvd.
Tarboro, North Carolina 27886
(919) 823-9900

United Telephone Company of Florida
919 West Highway 436
Altamonte Springs, Florida 32701
(305) 862-1123

United Telephone Company of Indiana
Post Office Box 391
Warsaw, Indiana 46580
(219) 267-6161

United Telephone Company of the Northwest
601 State Street
Hood River, Oregon 97301
(503) 386-2211

United Telephone Company of Ohio
Post Office Box 3555
Mansfield, Ohio 44907
(419) 755-8011

United Telephone System-Eastern Group
1170 Harrisburg Pike
Carlisle, Pennsylvania 17013
(717) 243-6312
Consists of the following companies:

United Telephone Company of Pennsylvania
United Telephone Company of New Jersey

United Telephone System-Midwest Group
666 W. 110th St.
Overland Park, Kansas 66211
(913) 381-6400
Consists of the following companies:

United Telephone Company of Texas
United Telephone Company of Kansas
United Telephone Company of Minnesota
United Telephone Company of Missouri
United Telephone Company of the West

United Telephone System-Southeast Group
112 Sixth Street
Bristol, Tennessee 37620
(615) 968-8121
Consists of the following companies:

United Inter-Mountain Telephone Company
United Telephone Company of the Carolinas

United Telecom Corporate Center
P.O. Box 11315
Kansas City, Kansas 64112
(913) 676-3000

U.S. Sprint Communications
P.O. Box 8417
Kansas City, Missouri 64114-0417

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

United Missouri Bank of Kansas City, N.A.
P.O. Box 226
Kansas City, Missouri 64141

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: UT

Number of Employees:

1989	41,400	1986	23,200
1988	37,700	1985	27,400
1987	23,300		

Sales & Earnings

	Revenues & Sales # (000's)	Net Income (000's)
1989	$ 7,549,000	$ 362,900
1988	6,493,000	508,900
1987	2,935,100	(51,500)
1986	3,012,700	180,500
1985	3,083,800	20,800

	No. of Com. Shares ‡	Earn. per Share ‡
1989	209,100,000	$ 1.72
1988	204,400,000	2.48
1987	199,600,000	—
1986	195,400,000	0.91
1985	187,400,000	0.09

# Of continuing operation only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.97	—	2-for-1
1988	0.96	—	
1987	0.96	—	—
1986	0.96	—	—
1985	0.96	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share +
1989	$ 2,702,900,000	$ 12.93
1988	1,874,800,000	9.17
1987	1,523,500,000	7.63
1986	1,724,900,000	8.83
1985	1,689,100,000	9.01

† After allowing for preferred stock at stated value.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net revenues:		
Long-dist. comm. serv.	$ 4,323,600	$ 3,405,400
Local comm. serv.	2,637,000	2,509,700
Complementary businesses	762,100	698,600
Intercompany sales	(173,700)	(120,700)
Total revenues	$ 7,549,000	$ 6,493,000
Expenses:		
Long-dist. comm. serv.	4,097,000	3,791,500
Local comm. serv.	2,001,300	1,912,900
Complementary businesses	714,400	656,500
Intercompany expenses	(173,700)	(120,700)
Other expense (income)	(11,500)	7,100
Interest expense	359,800	320,400
Minority interest	33,400	(223,400)
Income bef. taxes	$ 528,300	$ 148,700
Income taxes	165,400	6,900
Inc.-cont. oper.	$ 362,900	$ 141,800
Inc.-discont. oper.	—	367,100
Net Income	$ 362,900	$ 508,900

* Included in Costs and Expenses, Depreciation and Amortization: $961,900,000 in 1989 and $906,600,000 in 1988.
‡ Restated.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 114,800	$ 617,100
Accts. receiv., net	998,700	850,300
Notes receiv.	84,400	330,600
*Inventories held for resale	124,700	131,300
Prepaid expenses	153,100	151,000
Deferred inc. taxes	33,500	44,700
Current Assets	$ 1,509,200	$ 2,125,000
#Fixed assets	7,884,900	7,329,800
Intangibles	122,400	124,300
Other assets	304,800	237,800
Total Assets	$ 9,821,300	$ 9,816,900

Liabilities
(000's)

Long-term debt, curr.	$ 384,300	$ 148,500
Accts. payable	738,700	716,900
Accrued local interconnection & leased facil. costs	318,500	292,100
Advance billings	67,500	63,300
Accrued taxes	237,900	313,200
Accrued interest	107,000	100,800
Other curr. liab.	424,900	514,100
Curr. Liabilities	$ 2,278,800	$ 2,148,900
Long-term debt	3,747,000	3,674,800
Deferred credits	1,216,900	1,118,200
Minority interest	464,800	958,900
Redeem. pref. stock:		
Parent	25,600	26,800
Subsid.	11,300	12,100
Preferred stock	4,000	2,400
+ Common stock	517,800	256,600
Emp. stock purch. install.	22,300	7,300
Add. paid-in capital	650,000	882,500
Retained earnings	882,800	728,400
Total Liabilities & Shareholders' Equity	$ 9,821,300	$ 9,816,900

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Revenues	7.00	—
%Net Income to Revenues	4.81	—
%Net Income to Equity	17.47	27.11
Debt to Equity	1.99	2.04
Shareholders' Equity	$ 2,076,900,000	$ 1,877,200,000

Unitrode Corporation

5 Forbes Road
Lexington, Mississippi 02173
(617) 861-6540
FAX: (617) 861-6773

Officers: George M. Berman, chairman of the board; Howard F. Wasserman, president & chief exec. officer; Robert L. Cable, chairman-exec. committee; Edward Simon, v.p.-technology; Walter B. Gates, sr. v.p.-finance; Michael J. Ferrantino, v.p.-semiconductor products; Richard S. Morse, Jr., secretary; William T. Campbell, Jr., v.p.-micro networks; Franklin P. Weigold, v.p.-integrated circuits; Robert E. Brierley, treasurer; Robert W. Woodbury, Jr., controller; E. Charles Aubee, gen. mgr.-Power General Corp.; Steven M. Wood, gen. mgr.-Powercube Corp..

Directors: George M. Berman, chairman; Walter B. Gates, Kenneth Hecht, Peter A. Brooke, Arthur L. Goldstein, Robert L. Gable, Harold F. Wasserman.

Areas of Work: Develops, manufactures, and markets semiconductors, ceramic capacitors, switching power supplies, data conversion products, EMI filters, and analog integrated circuits.

Subsidiaries:

Powercube Corporation
8 Suburban Park Drive
Billerica, Massachusetts 01821
(617) 862-6400
Manufactures power supplies for the military.

Unitrode Integrated Circuits Corp.
7 Contintental Blvd.
Merrimack, New Hampshire
Manufactures analog ICs.

Unitrode Mexicana S.A. de C.V.
Agua Prieta, Sonora, Mexico

U.S. Microtek Components Corp.
Sun Valley, California
Manufactures ceramic chip capacitors and filters.

Unitrode Corporation

Power General Corporation
Canton, Massachusetts
Manufactures multiple-output switching power supplies, modular DC-DC converters and uninterruptible power supplies.

Micro Networks
324 Clark Street
Worchester, Massachusetts 01606
Manufactures hybrid data conversion circuits which provide accurate, high-speed, reliable conversion of electronic signals from the analog levels of the physical world to digital impulses recognizable by computers and microprocessors, and vice-versa. Also manufactures power hybrids.

Acquisitions:

ADDACON, Inc.
Greensboro, North Carolina
A manufacturer of high-speed, board-level and hybrid circuit data converters.

Qualitron
Texas
A manufacturer of magnetic components and DC/DC power supplies.

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: UTR

Number of Employees:

1990	1,532	1987	2,706
1989	2,445	1986	2,695
1988	2,450		

Plant Footage:

1990	640,000 sq. ft.	1987	731,000
1989	747,000	1986	737,000
1988	722,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 138,803,000	$ (20,636,000)
1989	163,297,000	1,876,000
1988	135,104,000	(19,951,000)
1987	149,422,000	(7,030,000)
1986	167,968,000	9,163,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	13,815,000	$ —
1989	13,835,000	0.14
1988	13,800,000	—
1987	13,837,000	—
1986	13,701,000	0.67

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989	1988	1987
Semiconductors	35 %	39 %	35 %	49 %
Power management ICs	23	17	15	9
Switching power supplies	21	17	19	17
Data conversion devices	11	13	16	12
Passive components	10	14	15	13
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	
1988	0.15	—	—
1987	0.20	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Fquity Per Share
1990	$ 86,492,000	$ 6.27
1989	106,826,000	7.73
1988	104,447,000	7.57
1987	125,285,000	9.09
1986	132,918,000	9.73

Income Account*

Year ended Jan. 31	1990	1989
Net sales	$ 138,802,789	$ 163,297,323
Cost of sales	104,898,987	114,878,875
Expenses	41,237,510	44,757,593
Interest income	(693,911)	(396,595)
Interest expense	554,061	931,454
Unusual items	14,252,000	—
Inc. (loss) bef. taxes	$ (21,445,858)	$ 3,125,996
Income taxes (credit)	(810,000)	1,250,000
Net Income (Loss)	$ (20,635,858)	$ 1,875,996

* Included in Costs and Expenses, Depreciation and Amortization: $13,277,083 in 1990 and $13,404,265 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & short-term investment	$ 15,816,001	$ 6,864,126
Accts. receiv., net	19,587,243	30,428,360
*Inventories	28,056,051	36,295,068
Prepaid expenses	990,986	1,786,086
Current Assets	$ 64,450,281	$ 75,373,640
#Fixed assets	44,985,217	55,712,377
Exc. of cost over assets acq.	7,158,917	6,284,209
Other assets	1,894,825	1,907,071
Total Assets	$ 118,489,240	$ 139,277,297

Liabilities

Long-term debt, curr.	$ 2,397,988	$ 1,738,984
Accts. payable	5,040,712	7,118,558
Income taxes pay.	3,561,239	500,348
Accrued payroll	4,305,544	4,011,496
Other accruals	8,716,565	2,290,535
Other curr. liab.	7,975,487	6,311,289
Curr. Liabilities	$ 31,997,535	$ 21,971,210
Long-term debt	—	2,367,559
Deferred inc. taxes	—	8,113,000
+Common stock	2,779,241	2,779,641
Add. paid-in capital	29,503,228	29 687,787
Retained earnings	55,664,511	76,300,369
Treasury stock	(1,255,347)	(1,108,356)
Deferred compensation	(199,928)	(833,913)
Total Liabilities & Shareholders' Equity	$ 118,489,240	$ 139,277,297

* At current average cost but not in excess of net realizable value.
# Less accumulated deprecation.
+ $0.20 par value

Statistical Summary

%Income bef. Taxes to Sales	—	1.91
%Net Income to Sales	—	1.15
%Net Income to Equity	—	1.76
Sales to Inventories	4.95	4.50
Debt to Equity	0.03	0.04
Working Capital	$ 32,452,746	$ 53,402,430
Current Ratio	2.01	3.43
Shareholders' Equity	$ 86,491,705	$ 106,825,528

Universal Voltronics Corp.

(54% owned by Thermedics, Inc. of Woburn, Massachusetts)

27 Radio Circle Drive
Mount Kisco, New York 10549
(914) 241-1300
FAX: (914) 241-3129

Officers: Barry Ressler, chairman, chief exec. officer & president; Walter F. J. Crewson, v.p. & technical advisor; Evan R. Phillips, v.p.-manufacturing; Julian M. Polis, v.p.-engineering; Frank X. Samperi, v.p.-sales; Leslie Alan Turk, v.p.-finance, chief financial officer & secretary.

Directors: Barry Ressler, chairman; Lewis Cohen, William W. Hoover, Mike McCormack.

Areas of Work: Engaged in the design, manufacture and sale of high voltage power conversion systems, modulators and related equipment for strategic defense projects, energy research, as well as medical, commercial and utility applications.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UVOL (NASDAQ)

Number of Employees:

1989	107	1986	100
1988	101	1985	115
1987	100		

Plant Footage:

1989	45,000 sq. ft.	1986	45,000
1988	45,000	1985	45,000
1987	45,000		

Sales & Earnings

	Net Sales	Net Income †
1989	$ 7,257,188	$ (545,644)
1988	6,011,927	(1,012,321)
1987	7,881,840	183,451
1986	9,209,786	1,050,392
1985	8,413,322	141,124

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	2,695,147	$ —
1988	2,678,401	—
1987	2,803,633	0.07
1986	2,793,440	0.38
1985	2,653,958	0.05

(Loss)
† Including extraordinary gains of $74,563,000 ($0.03 per share) in 1987, $467,145 ($0.17 per share) in 1986 and $54,476 ($0.02 per share) in 1985.
‡ Based on the weighted average number of common share and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 500,748	$ 0.19
1988	1,046,392	0.39
1987	2,058,713	0.73
1986	1,848,262	0.66
1985	797,870	0.30

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1989	1988
Revenues	$ 7,257,188	$ 6,011,927
Cost of sales	5,245,192	4,627,416
Expenses	2,135,926	2,108,342
Interest expense	426,657	342,871
Interest income	(4,943)	(1,142)
Loss bef. change in acct. meth.	$ (545,644)	$ (1,065,560)
Cum. effect of change in acct meth.	—	53,239
Net Loss	$ (545,644)	$ (1,012,321)

* Included in Costs and Expenses, Depreciation and Amortization: $307,309 in 1989 and $301,096 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 11,123	$ 16,733
Accts. receiv., net	1,803,953	988,481
Costs & earn. in exc. of billings	644,868	696,857
*Inventories	1,738,890	1,767,498
Other curr. assets	98,907	111,958
Current Assets	$ 4,297,741	$ 3,581,527
#Fixed assets	1,309,824	1,561,635
Other assets	84,327	43,970
Total Assets	$ 5,691,892	$ 5,187.132

Liabilities

	1989	1988
Notes payable	$ 1,504,504	$ 973,827
Long-term debt, curr.	98,792	97,371
Accts. payable	676,830	220,548
Accrued compensation	254,623	201,922
Other accruals	499,842	491,294
Curr. Liabilities	$ 3,034,591	$ 1,984,962
Long-term debt	1,999,442	2,091,604
Accrued pension & other oblig.	157,111	64,174
+Common stock	135,142	135,142
Add. paid-in capital	4,027,096	4,027,096
Accum. deficit	(3,658,186)	(3,112,542)
Treasury stock	(3,304)	(3,304)
Total Liabilities & Shareholders' Equity	$ 5,691,892	$ 5,187,132

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

	1989	1988
Debt to Equity	7.19	3.02
Working Capital	$ 1,263,150	$ 1,596,565
Current Ratio	1.42	1.80
Shareholders' Equity	$ 500,748	$ 1,046,392

UTL Corporation

1508 West Mockingbird Lane
Dallas, Texas 75235
(214) 638-6688

Officers: Gifford K. Johnson, chairman of the board, president and chief executive officer; Gerald P. Florence, executive v.p. & chief operating officer; John Benson, sr. v.p.-finance & treasurer; Bob W. Maupin, sr. v.p.-advanced development; George A. Earle, v.p.- business development; R.H. Lichtenstein, v.p.; George R. Albin, v.p.; Charles F. Turrentine, v.p.- operations; Marjorie N. Stafford, secretary.

Directors: Robert McCulloch, H.L. Simpson, Robert Hibbert, William Bret, Theodore Strauss, Gifford K. Johnson, John Benson, Robert E. Galer.

Areas of Work: Engaged in the design, development and manufacture of electronic systems and subsystems which are used by the United States and foreign military services in reconnaissance, surveillance and targeting. Also offers command, control, communication and intelligence ("C3I") systems which utilize computer systems and proprietary software to process data collected from ESM systems.

Division:

UTL Defense Electronics, Inc.
Suite 200
260 Hearst Way
Kanata, Ontario K2L 3H1, Canada
(613) 591-3474

Acquisition:

UTL Canada, Inc.

Primarily engaged in marketing the following two programs: Tactical radar identification and location system ("TRILS") to integrate ESM sensors on ground vehicles, and the next generation Canadian Army Electronic Warfare Control and Analysis Center ("EWCAC").

Transfer Agent(s):

Texas American Bank, Dallas
Trust Department
P.O. Box 35207
Dallas, Texas 75235

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UTLC (NASDAQ)

Number of Employees:

1989	434	1986	414
1988	467	1985	N.A
1987	381		

Plant Footage:

1989	145,100 sq. ft.	1986	143,500
1988	143,500	1985	76,500
1987	143,500		

N.A. - Not Available.

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 24,101,081	$ (7,470,029)
1988	22,965,432	(6,804,943)
1987	18,797,897	(252,596)
1986	31,519,253	5,122,340
1985	26,158,341	4,862,966

	No. of Com. Shares +	Earn per Shares ‡ +
1989	4,205,000	$ —
1988	4,247,000	—
1987	4,752,000	—
1986	4,844,000	1.06
1985	4,860,000	1.00

‡ Including extraordinary gains of $343,698 in 1989, $3,178,441 in 1988 and $759,262 in 1987.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 10,636,927	$ 2.53
1988	17,869,456 ‡	4.21
1987	30,731,185 ‡	6.47
1986	39,487,658 ‡	8.15
1985	34,159,914 ‡	7.03

‡ After allowing for preferred stock at liquidation value.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1989	1988
Revenues	$ 24,101,081	$ 22,965,432
Contract costs	28,410,917	23,233,537
Expenses	7,182,134	5,626,868
Interest income	(1,475,084)	(1,425,343)
Dividend income	—	(1,262,500)
Interest expense	2,152,427	2,708,221
Realized loss on sale of secur.	203,534	7,766,627
Realized loss (gain) on sale of fixed assets	(1,214,409)	95,366
Unrealized gain on secur. sold short	(323,312)	(776,816)
Other expense	66,723	294,329
Loss before taxes	$ (10,901,849)	$ (13,294,857)
Tax credit	(3,088,122)	(3,311,473)
Net Loss	$ (7,813,727)	$ (9,983,384)
Extraordinary gain	343,698	3,178,441
Net Loss & extraordinary gain	$ (7,470,029)	$ (6,804,943)

* Included in Costs and Expenses, Depreciation: $951,609 in 1988 and $835,627 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 909,970	$ 11,310,279
Market. secur.	11,631,709	8,674,373
Accts. receiv.-trade	7,271,458	7,716,367
Accts. receiv.-brokers	—	9,795
Long-term contracts	8,668,487	9,708,027
Inc. taxes refund.	2,937,989	3,332,185
Prepaid expenses	343,968	343,432
Deferred inc. taxes	—	150,386
Adv. to stock ownership plans	—	100,334
Current Assets	$ 31,763,581	$ 41,345,178
Investment & adv.	—	691,205
#Fixed assets	14,787,771	13,348,328
Other assets & bond issue costs	894,609	917,303
Total Assets	$ 47,445,961	$ 56,302,014

Liabilities

	1989	1988
Long-term debt, curr.	$ 787,500	$ 775,000
Note payable	1,800,000	1,000,000
Accts payable	416,101	1,023,642
Billings in exec. of costs	83,148	547,682
Accruals	2,878,285	2,585,800
Curr. Liabilities	$ 5,965,034	$ 5,932,124

UTL Corporation

Long-term debt	30,844,000	31,631,500
Def. fed. inc. taxes	—	806,434
+ Preferred stock	—	62,500
++ Common stock	1,246,815	1,221,815
Add. pain-in capital	20,777,137	21,339,637
Emp. stock plan purch. with guaran. debt	(3,587.500)	(4,362,500)
Retained earnings	3,117,666	10,587,695
Treasury stock	(10,917,191)	(10,917,191)
Total Liabilities & Shareholders' Equity	$ 47,445,961	$ 56,302,014

# Less accumulated depreciation and amortization.
+ No par value: $0.625 stated value, noncumulative.
++ $.0.25 par value.

Statistical Summary

Debt to Equity	3.14	1.86
Working Capital	$ 25,798,547	$ 35,413,054
Current Ratio	5.32	6.97
Shareholders' Equity	$ 10,636,927	$ 17,931,956

Valid Logic Systems Incorporated

2820 Orchard Parkway
San Jose, California 95134
(408) 432-9400
FAX: (408) 432-9430

Officers: W. Douglas Hajjar, chairman, president & chief exec. officer; Robert G. Fulks, v.p. & gen. mgr.-Engineering; Thomas F. Kelly, v.p.-finance & administration, chief financial officer; Robert J. Moore, v.p.-North American Sales; Alain Labat, v.p.-International Operations; Joseph Prang, v.p.-marketing; Daniel Sahagun, v.p.-Advanced Applications Development; Franklin D. White, Sr., v.p.-operations; Keith L. Barnes, v.p., general mgr.-IMS verification Division; Frank Wypychowski, v.p.-general manager-CAE Division; D. Ross White, corporate controller & principal accounting officer.

Directors: W. Douglas Hajjar, chairman; Robert L. Ashley, H. Dubose Montgomery, J. Sidney Webb, Anthony C. Gilbert, secretary.

Areas of Work: Designs, manufactures, markets and supports customer solutions for electronic design automation applications for the development of electronic systems, printed circuit boards, and integrated circuits.

Divisions And Subsidiaries:

PCB Division
Two Omni Way
Chelmsford, Massachusetts 01824

IMS Verification Division
9525 S. W. Gemini
Beaverton, Oregon 97005

CAE Division/IC Division
2820 Orchard Parkway
San Jose, California 95134

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VLID (NASDAQ)

Number of Employees:

1989	980	1987	500
1988	765		

Plant Footage:

1989	424,000 sq. ft.	1987	237,000
1988	317,000		

Sales & Earnings x

	Net Sales	Net Income
1989	$ 173,856,000	$ 10,002,000
1988	141,117,000	7,744,000
1987*	88,163,000	(26,894,000)
1986	88,176,000	(11,916,000)
1985	76,920,000	(9,227,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	32,631,000	$ 0.31
1988	30,297,000	0.26
1987*	28,231,000	—
1986	28,116,000	—
1985	28,013,000	—

(Loss)
* 53 weeks.
x Restated to include operations of Integrated Measurement Systems, Inc. and Analog Design Tools, Inc., acquired on a pooling of interests basis.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 82,816,000	$ 2.54
1988	71,103,000	2.35
1987	48,686,000	1.44
1986	65,451,000	2.33

x Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988‡
Net sales:		
Product	$ 137,047	$ 112,385
Service & other	36,809	28,732
Total income	$ 173,856	$ 141,117
Cost of sales	77,053	55,809
Expenses:		
Res. & develop.	13,066	15,392
Sell., gen., and adm.	70,902	60,828
Other expense	1,757	613
Inc. bef. taxes	$ 11,078	$ 8,475
Income taxes	1,076	731
Net Income	$ 10,002	$ 7,744

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $9,812,000 in 1989 and $9,262,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988‡
Cash	$ 9,206	$ 13,455
Accts. receiv., net	56,034	45,016
*Inventories	17,669	19,718
Prepaid expenses	4,883	3,560
Current Assets	$ 87,792	$ 81,749
# Fixed assets	25,032	19,319
Capitalized software	18,118	7,073
Deposits & other assets	8,704	4,057
Total Assets	$ 139,646	$ 112,198

Liabilities
(000's)

Notes payable	$ 2,312	$ 3,849
Long-term debt, curr.	1,834	947
Accts. payable	19,289	14,857
Accrued payroll	4,976	5,009
Other accruals	7,115	6,022
Income taxes	130	1,027
Deferred revenue	2,570	2,064
Curr. Liabilities	$ 38,226	$ 33,775
Long-term debt	17,858	7,279
+Common stock	32	31
Add. paid-in capital	118,820	116,676
Retained earnings (deficit)	(40,098)	(50,100)
Cum. trans. adjust.	4,062	4,496
Total Liabilities & Shareholders' Equity	$ 139,646	$ 112,198

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value.

Statistical Summary

%Income bef. Taxes Total Income	6.37	6.01
%Net Income to Total Income	5.75	5.49
%Net Income to Equity	12.08	10.89
Debt to Equity	0.27	0.17
Working Capital	$ 49,566,000	$ 47,974,000
Current Ratio	2.30	2.42
Shareholders' Equity	$ 82,816,000	$ 71,103,000

Varian Associates, Inc.

611 Hansen Way
Palo Alta, California 94303-0883
(415) 493-4000
FAX: (415) 493-0307

Officers: Thomas D. Sege, chairman of [illegible] chief exec. officer; Richard M. Levy, sr. v.p. & president-semiconductor equipment; Alan J. Bennett, v.p.-research; Stanley Z. Cole, v.p.-patents & licensing; John J. Cooper, v.p.-gen. counsel; Allen J. Lauer, sr. v.p. & president-Analytical Instruments; Robert A. Lemos, v.p.-finance; Gary E. Simpson, v.p.-corporate communications; Ernest M. Felago, v.p.-human resources; Al D. Wilunowski, v.p. & pres.-electron devices; William R. Moore, secretary & associate general counsel; Wayne P. Somrak, controller; James A. Taylor, treasurer.

Directors: Thomas D. Sege*, chairman; Kenneth J. Arrow, Ruth M. Davis, C. Lester Hogan*, William F. Miller*, Gordon E. Moore, H. Myrl Stearns*, James C. Gaither*, Edward L. Ginzton*, John J. Cooper, Lewis W. Lehr*, John G. McDonald, Donald O. Pederson, Angus A. MacNaughton, .

* Member of the Executive Committee

Areas of Work: Company is engaged in two business segments: Electron Device and Systems Segment and the Equipment Segment. The Electron Device and Systems Segment includes a broad line of electron devices and systems used in broadcasting, communications, and other commercial and military applications. The equipment segment includes: analytical instruments widely used in the fields of chemistry, physics, biology, life sciences and metallurgy.

Divisions and Subsidiaries:

Electron Device Group

Microwave Power Tube Division
611 Hansen Way
Palto Alto, California 94303
(415) 493-4000
Klystrons, traveling-wave tubes, gyrotrons.

EIMAC Division
301 Industrial Way
San Carlos, California 94070
(415) 592-1221

1678 S. Pioneer Road
Salt Lake City, Utah 84104
(801) 972-5000
Power grid tubes, and X-ray tubes.

Solid State Microwave Division
3251 Olcott Street
Santa Clara, California 95050
(408) 988-1331
Solid state oscillators and amplifers & YIG tuned devices.

Microwave Equipment Division
3200 Patrick Henry Drive
Santa Clara, California 95050
(408) 496-6273
Power amplifiers and power supplies, microwave components, electromagnets.

Beverly Microwave Division
8 Salem Road
Beverly, Massachusetts
(617) 922-6000
Magnetrons, cross-field amplifiers, modulators, solid state, microwave components, ring-loop traveling-wave tubes, radar subsystems and receiver protectors.

Canada Microwave Division
45 River Road
Georgetown, Ontario L7G 2J4 Canada
Klystrons, traveling and millimeter-wave tubes, power supplies.

III-V Device Center
Santa Clara, California
Gallium arsenide and indium phosphide devices and integrated circuits.

Continental Electronics Division
Dallas, Texas
High-power radio transmitters.

Varian TVT Ltd.
Cambridge, England
Microwave tubes.

Traveling-Wave Tube Division
Palo Alto, California

Coupled Cavity Tube Division
Palo Alto, California

RF Subsystems Division
Beverly, Massachusetts

Analytical Instruments

Analytichem International, Inc.
24201 Frampton Avenue
Harbor City, California 90710
(213) 539-6490
Sample preparation products.

NMR Instrument Division
Palo Alto, California

Walnut Creek Instrument Division
2700 Mitchell Drive
Walnut Creek, California 94587
(415) 939-2400
Gas and liquid chromatographs, data systems, laboratory information management systems.

Varian Techtron Pty. Ltd.
679 Springvale Road
Mulgrave, Victoria 3170
Melbourne, Australia
Atomic absorption and UV-Vis spectrophotometers.

Medical & Industrial Products Group

Radiation Division
611 Hansen Way
Palto Alto, California 94303
(415) 493-4000
Medical and radiographic linear accelerators, electronic radiography imaging systems.

Varian TEM, Limited
Gatwick Road
Crawley, West Sussex, England
Radiotherapy planning simulator.

Vacuum Products Division
121 Hartwell Avenue
Lexington, Massachusetts 02173
(617) 861-7200

TEL -Varian Ltd. (affiliate)
2381 Ohara, Kita Gejo Fugii-cho
Nirasaki City
Yamanashi, Japan
Ion implanters.

Semiconductor Equipment Group

Extrion Division
Blackborn Industrial Park
P.O. Box 1226
Gloucester, Massachusetts 01930
(617) 281-2000
Ion implantation equipment, rapid thermal processing equipment.

Thin Film Technology Division
611 Hansen Way
Palto Alto, California 94303
(415) 492-4000
Sputtering systems, molecular beam epitaxy systems, memory disc sputtering systems.

Varian-TEL products
Fremont, California

Corporate Manufacturing

Tempe Electronics Division
Tempe, Arizona
Printed circuit board assembly.

Varian Research Center
Palo Alto, California

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific

Ticker Symbol: VAR

Number of Employees:

1989	12,100	1986	11,600
1988	11,800	1985	13,600
1987	11,900		

Sales & Earnings

	Net Sales +	Net Income
1989	$1,343,600,000	$ 31,519,000
1988	1,170,600,000	27,758,000
1987	982,800,000	21,365,000
1986	891,100,000	(14,870,000)
1985	935,900,000	26,122,000

	No. of Com. Shares †	Earn per Share #
1989	19,896,000	$ 1.53
1988	21,674,000	1.27
1987	21,966,000	0.98
1986	21,448,000	—
1985	21,313,000	1.19

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business

	1989	1988
Electron devices	$ 534,000	$ 503,000
Analytical instruments	227,000	227,000
Semiconductor equip	321,000	210,000
Medical & industrial prods	268,000	242,000
Adjust. & elimination	(6,000)	(11,000)
Total	$ 1,344,000	$ 1,171,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.26	—	—
1988	0.26	—	
1987	0.26	—	—
1986	0.26	—	—
1985	0.26	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 427,300,000	$ 21.48
1988	451,000,000	20.81
1987	438,100,000	19.95
1986	410,900,000	19.16
1985	429,200,000	20.14

Income Account

Year ended	9/29/89	9/30/88
Net sales	$ 1,343,632	$ 1,170,558
Cost of sales	961,728	809,635
Expenses	315,376	291,254
Restruc. charges	—	35,018
Interest expense	10,791	7,915
Interest income	(1,192)	(1,583)
Other expense (income)	6,100	(15,059)
Income before taxes	$ 50,829	$ 43,378
Income taxes	19,310	15,620
Net Income	$ 31,519	$ 27,758

* Included in Costs and Expenses, Depreciation: $40,656,000 in 1989 and $40,424,000 in 1988.

Assets

As of	9/29/89	9/30/88
Cash & cash equiv.	$ —	$ 11,539
Accts. receiv., net	263,738	252,469
*Inventories	285,725	245,455
Other curr. assets	93,774	80,459
Current Assets	$ 643,237	$ 589,922
#Fixed assets	252,771	241,660
Other assets	35,273	24,247
Total Assets	$ 931,281	$ 855,829

Liabilities

Notes payable	$ 53,648	$ 14,199
Accts. payable	74,528	55,131
Accruals	182,836	177,070
Prod. warranty	29,910	24,101
Adv. pay. from cust.	73,279	65,976
Curr. Liabilities	$ 414,201	$ 336,477
Long-term debt	54,914	35,179
Deferred inc. taxes	34,885	33,171
+Common stock	19,896	21,674
Add. paid-in capital	111,356	159,537
Retained earnings	296,029	269,791
Total Liabilities & Shareholders' Equity	$ 931,281	$ 855,829

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.78	3.71
%Net Income to Sales	2.35	2.37
%Net Income to Equity	7.38	6.15
Sales to Inventories	4.70	4.77
Debt to Equity	0.25	0.11
Working Capital	$ 229,036,000	$ 253,445,000
Current Ratio	1.55	1.75
Shareholders' Equity	$ 427,281,000	$ 451,002,000

Venturian Corp.

1600 Second Street South
Hopkins, Minnesota 55343
(612) 931-2500
FAX: (612) 931-2402

Officers: Gary B. Rappaport, chairman of the board, president & chief exec. officer; Morris M. Sherman, secretary; Mary F. Jensen, controller & treasurer; Jack Horowitz, vice president-Napco International, Inc.; Charles B. Langevin, exec. vice president-Napco International, Inc.; Richard H. Liebo, vice president-Napco International, Inc.; Reinhild D. Hinze, treasurer & v.p.-operations-Napco International, Inc..

Directors: Gary B. Rappaport, chairman; Michael R. Sill, Frank D. Trestman, Morris M. Sherman, Stuart B. Utgaard.

Areas of Work: Through its wholly owned subsidiary, Napco International, Inc., the Company is a supplier of a wide variety of defense-related products to the U.S. government and to the governments of over 60 nations throughout the world.

Divisions of Napco International, Inc., a wholly owned subsidiary:

Ordnance Division
Markets spare and replacement parts for virtually every U.S.-made military wheeled and tracked vehicle.

Defense Electronics Division
Markets a broad range of electronic security and communications equipment, including a full spectrum of military radios and spare parts, and mobile support communications command posts.

Aerospace Division
Supports maintenance programs, and supplies spare parts and ground support equipment worldwide, for U.S.-manufactured planes and helicopters.

Special Products Division
Markets a wide range of weapons systems. Also markets the Napco RAIDER patrol boat.

Tank Automotive Systems Division
Designs and markets modernization kits to improve the performance and increase the capabilities of a wide variety of U.S. military wheeled and tracked vehicles. Also supplies new trucks, vans and other wheeled and tracked vehicles for military, medical, industrial and construction applications.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VENT (NASDAQ)

Number of Employees:

1989	85	1988	107

Plant Footage:

1989	153,000 sq. ft.	1988	153,000

Sales & Earnings

	Net Sales	Net Income	No. of Com. Shares	Earn. per Share ‡
1989	$ 32,246,000	$ (1,889,000)	792,939	$ —
1988	36,518,000	(981,000)	862,813	—
1987	32,934,000	886,000	930,663	0.89
1986	36,477,000	(1,615,000)	1,049,418	—
1985	41,479,000	2,524,000	1,099,000	2.28

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	
1987	—	—	—
1986	—	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 14,786,000	$ 18.65
1988	17,594,000	20.39
1987	19,415,000	20.86
1986	20,404,000	19.44
1985	22,976,000	20.90

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 32,246	$ 36,518
Cost of sales	25,158	28,448
Expenses:		
Mktng.	3,418	3,024
Administrative	2,998	3,233
Warehousing	1,697	1,640
Interest income	(494)	(794)
Interest expense	311	338
Other expense (income)	1,047	1,510
Loss before taxes	$ (1,889)	$ (881)
Income taxes	—	100
Net Loss	$ (1,889)	$ (981)

* Included in Costs and Expenses, Depreciation and Amortization: $463,000 in 1989 and $437,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,858	$ 448
Marketable securities	719	4,598
Accts. receiv., net	6,946	12,444
*Inventories	4,878	4,049
Prepaid expenses	554	925
Current Assets	$ 14,955	$ 22,464
#Fixed assets	3,378	3,671
Other assets	2,613	2,211
Total Assets	$ 20,946	$ 28,346

Liabilities
(000's)

Bank overdraft	$ 250	$ 773
Long-term debt, curr.	47	43
Accts. payable	2,050	4,456
Advances from cust.	243	89
Accrued payroll	393	635
Accrued commissions	313	303
Accrued restitution	10	1,142
Other accruals	848	872
Curr. Liabilities	$ 4,154	$ 8,313
Long-term debt	189	236
Deferred income	1,817	2,203
+Common stock	793	863
Add. paid-in capital	14,937	15,786
Retained earnings (deficit)	(944)	945
Total Liabilities & Shareholders' Equity	$ 20,946	$ 28,346

* At lower of cost (specific identification) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	6.61	9.02
Debt to Equity	0.02	0.02
Working Capital	$ 10,801,000	$ 14,151,000
Current Ratio	3.60	2.70
Shareholders' Equity	$ 14,786,000	$ 17,594,000

Vermont Research Corporation

Precision Park
North Springfield, Vermont 05150
(802) 886-2256
FAX: (802) 886-2682

Officers: Edward D. Winkler, Jr., president & treasurer; Stuart J. Lock, executive v.p.; John G. Kristensen, clerk; Terence Wright, v.p.-engineering; Michael S. Batchelor, v.p.-international sales; John E. Dimitruk, v.p.-sales & marketing, North America.

Directors: Hugh M. Taft, Richard A. Stover, J. Franklin Jones, Jr., John G. Moody, Stuart J. Lock, Edward D. Winkler, Jr..

Areas of Work: Engaged in the development, design and manufacture of drums, discs and other basic memory devices for the computer industry.

Subsidiaries:

Vermont Research Limited
Cleeve Road
Leatherhead, Surrey KT227NB England

Vermont Research International Sales Corp.
Precision Park
North Springfield, Vermont 05150
(802) 886-2256

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: VRE

Number of Employees:

1989	18	1986	N.A.
1988	18	1985	88
1987	113		

N.A. - Not Available
N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 4,412,000	$ 1,906,000
1988	4,152,000	(2,553,000)
1987	4,838,000	(3,255,000)
1986	4,638,000	(3,258,000)
1985	7,224,000	(993,000)

	No. of Com. Shares	Earn. per Share #‡
1989	2,047,118	$ 0.94
1988	2,012,818	—
1987	2,004,803	—
1986	1,952,933	—
1985	1,952,933	—

(Loss)
‡ Including extraordinary gains of $1,020,000 ($0.50 per share) in 1989 and $186,000 in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,163,000	$ 1.55
1988	1,244,000	0.62
1987	3,761,000	1.88
1986	6,600,000	3.38
1985	9,858,000	5.05

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 4,412,000	$ 4,152,000
Interest income	217,000	166,000
Other income	124,000	109,000
Unusual items	1,599,000	1,092,000
Total income	$ 6,352,000	$ 5,519,000
Cost of sales	2,390,000	3,089,000
Expenses	2,076,000	4,590,000
Interest expense	—	19,000
Restruc. costs	—	356,000
Inc. (loss) bef. taxes	$ 1,886,000	$ (2,535,000)
Income taxes (credit)	1,000,000	204,000
Net Income (Loss)	$ 886,000	$ (2,739,000)
Extraord. gain	1,020,000	186,000
Net Income (Loss) & extraord. gain	$ 1,906,000	$ (2,553,000)

* Included in Costs and Expenses, Depreciation and Amortization: $101,000 in 1989 and $328,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 1,518,000	$ 894,000
Accts. receiv., net	635,000	582,000
Refundable income taxes	21,000	—
Receiv. from sale of assets	317,000	—
*Inventories	397,000	342,000
Other curr. assets	109,000	163,000
Current Assets	$ 2,997,000	$ 1,981,000
Assets held for sale	—	756,000
#Fixed assets	395,000	334,000
Receiv. from sale of assets	808,000	—
Total Assets	$ 4,200,000	$ 3,071,000

Liabilities

Accts. payable	$ 328,000	$ 303,000
Accrued payroll	82,000	125,000
Other accruals	585,000	965,000
Inc. taxes payable	—	18,000
Curr. Liabilities	$ 995,000	$ 1,411,000
Accrued pension liability	42,000	416,000
+Common stock	1,030,000	1,028,000
Add. paid-in capital	5,480,000	5,477,000
Retained earnings (deficit)	(2,810,000)	(4,366,000)
For. curr. trans. adjust	(375,000)	(310,000)
Treasury stock	(162,000)	(585,000)
Total Liabilities & Shareholders' Equity	$ 4,200,000	$ 3,071,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	42.75	—
%Net Income to Sales	20.08	—
%Net Income to Equity	28.01	—
Sales to Inventories	11.11	12.14
Working Capital	$ 2,002,000	$ 570,000
Current Ratio	3.01	1.40
Shareholders' Equity	$ 3,163,000	$ 1,244,000

Vicon Industries, Inc.

525 Broad Hollow Road
Melville, New York 11747
(516) 293-2200
FAX: (516) 293-2627

Officers: Donald N. Horn, chairman & president; Arthur V. Wallace, executive v.p. & secretary; Kenneth M. Darby, sr. v.p.-finance, treasurer & asst. secretary; Peter A. Horn, sr. v.p.-engineering; Richard R. Perna, sr. v.p.-operations; Ronald J. Teixeira, sr. v.p.-marketing; Lawrence M. Russo, v.p.-materials.

Directors: Donald N. Horn, chairman; Arthur V. Wallace, Peter F. Barry, Kenneth M. Darby, Milton F. Gidge, Peter F. Neumann, Harvey Sampson, Kazuyoshi Sudo, Chu S. Chun.

Areas of Work: Designs, manufactures and markets a comprehensive line of closed-circuit video systems and equipment for use in surveillance, security, safety, process and control applications.

Subsidiary:

Vicon Industries (U.K.) Ltd.
Portsmouth, England

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: VII

Number of Employees:

1989	307
1988	350
1987	N.A.
1986	366
1985	384

N.A. - Not Available.

Plant Footage:

1989	110,000 sq. ft.
1988	110,000
1987	110,000
1986	110,000
1985	110,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 44,329,391	$ (1,808,086)
1988	44,036,667	732,344
1987	29,117,509	(508,114)
1986	33,704,000	390,049
1985	30,437,297	(162,868)

	No. of Com. Share +	Earn. per Share +
1989	2,672,000	$ —
1988	2,670,000	0.27
1987	2,530,000	—
1986	2,372,000	0.16
1985	2,381,974	—

(Loss)
+ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 16,444,899	$ 6.15
1988	17,339,477	6.49
1987	16,725,329	6.61
1986	14,029,851	5.91
1985	13,532,167	5.68

‡ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options.

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 44,329,391	$ 44,036,667
Cost of sales	35,701,033	32,892,097
Expenses	10,705,274	9,170,624
Interest expense	836,170	825,602
Eq. in loss (inc.) of affil.	(114,000)	50,000
Income (loss) bef. taxes	$ (2,799,086)	$ 1,098,344
Income taxes (credit)	(991,000)	366,000
Net Income (Loss)	$ (1,808,086)	$ 732,344

* Included in Costs and Expenses, Depreciation and Amortization: $993,429 in 1989 and $1,013,633 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	$ 563,332	$ 382,116
Accts. receiv., net	9,400,350	8,501,445
Refund. inc. taxes	944,000	—
Notes & other receiv.	428,324	60,035
*Inventories	20,189,543	18,673,826
Prepaid expenses	1,071,811	651,216
Current Assets	$ 32,597,360	$ 28,268,638
#Fixed assets	3,863,435	2,776,395
Deferred inc. taxes	557,000	612,000
Invest. in affil.	321,000	207,000
Other assets	200,470	39,823
Total Assets	$ 37,539,265	$ 31,903,856

Liabilities

Note payable	$ 845,746	$ 722,112
Long-term debt, curr	168,300	—
Accts. payable	7,818,620	4,573,825
Accruals	740,011	761,927
Deferred income taxes	77,000	358,000
Income taxes	5,996	1,657,722
Def. gain on sale & leaseback	332,100	332,100
Curr. Liabilities	$ 9,987,773	$ 8,405,686

Long-term debt	8,680,000	3,400,000
Def. gain on sale & leaseback	2,426,593	2,758,693
+Common stock	27,829	26,679
Add. paid in capital	9,385,707	8,390,462
Retained earnings	7,193,115	9,001,201
Treasury stock	(82,901)	(82,901)
For. curr. trans.	(78,851)	4,036
Total Liabilities & Shareholders' Equity	$ 37,539,265	$ 31,903,856

* At lower of cost (moving average which approximates FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.49
%Net Income to Sales	—	1.66
%Net Income to Equity	—	4.22
Sales to Inventories	2.20	2.36
Debt to Equity	0.59	0.24
Working Capital	$ 22,609,587	$ 19,862,952
Current Ratio	3.26	3.36
Shareholders' Equity	$ 16,444,899	$ 17,339,477

Vishay Intertechnology, Inc.

63 Lincoln Highway
Malvern, Pennsylvania 19355-2120
(215) 644-1300
FAX: (215) 296-0657

Officers: Felix Zandman, president & chief executive officer; Robert A. Freece, v.p., treasurer & chief financial officer; Moshe Shamir, v.p.; William J. Spires, v.p. & secretary; Henry V. Landau, v.p..

Directors: Felix Zandman, chairman; Alfred P. Slaner, Robert A. Freece, Milton N. Scofield, Gerald N. Frank, Edward B. Shils, Avi D. Eden, Henry V. Landau, Guy Brana, Luella B. Slaner, Jean-Claude Tine.

Areas of Work: Produces precision resistors and resistive devices, strain gages, electronic equipment to read and record the output of strain gages and strain gage transducers, services and equipment in visual and optical measurement sciences for the stress analysis field, with applications in dentistry, and technical teaching aids to colleges, technical schools, and industrial training institutes.

Divisions and Subsidiaries:

Resistive Systems Group

Resistive Systems Group Hq.
63 Lincoln Highway
Malvern, Pennsylvania 19355-2120
(215) 644-1300

Vishay de Mexico S.A.
Tijuana, Mexico

Vishay Israel, Limited
2 Haofan Street
Holon, Israel

Vishay Micromesures S.A.
98 Boulevard Gabriel Peri
Malakoff 92240 France

Nippon Vishay Co., Ltd. (K.K.)
Machimoku Bldg.
Tokyo, 194, Japan

Vishay-Mann, Ltd.
Wymondham, Norfolk NR 180RA, England

Angstrohm Precision, Inc.
Hagerstown, Maryland
San Diego, California

GEKA, S.A.
Paris, France

Measurements Group, Inc.

Measurements Group Headquarters
P.O. Box 27777
Raleigh, North Carolina 27611

Instruments Division

Photolastic Division

Education Division

Micro-Measurements Division
38905 Chase Road
Romulus, Michigan 48174

Measurements Group GmbH
8032 Lochham
Am Lochhamer Schlag 6
Munich, West Germany

Dale Electronics, Inc.
1122 23rd Street
Columbus, Nebraska 68601

Manufacturer of electronic components, including resistors, inductors, connectors, transformers, plasma displays, and thermistors.

Former Corning Electronic Resistor Business

Bradford Electronics, Inc.
Bradford, Pennsylvania

Draloric Electronic GmbH
Selb, Marxgrun, Fichtelberg & Pfreind, West Germany

E-Sil Components Ltd.
Sunderland, United Kingdom

Sovcor, S.A.
Le Vesinet, France

Transfer Agent(s):

American Stock Transfer, Inc.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: VSH

Number of Employees:

1989	9,000	1988	7,500

Sales & Earnings

	Net Sales #	Net Income
12/31/89	$ 415,619,000	$ 17,767,000
12/31/88*	175,820,000	8,083,000
6/30/88	108,951,000	15,517,000
6/30/87	59,043,000	10,242,000
6/30/86	58,855,000	9,337,000

	No. of Com. Shares ‡	Earn. per Share ‡
12/31/89	11,808,000	$ 1.50
12/31/88*	11,882,000	0.68
6/30/88	11,871,000	1.31
6/30/87	11,081,000	0.92
6/30/86	10,880,000	0.86

* 6 months.
# Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/31/89	—	—	—
12/31/88	—	—	
6/30/88	—	5%	—
6/30/87	—	5% & 2%	—
6/30/86	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/89	$ 117,984,000	$ 9.99
12/31/88	104,488,000	8.79
6/30/88	94,529,000	7.96
6/30/87	77,609,000	7.00
6/30/86	58,931,000	5.42

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended Dec. 31	1989 (6 months)	1988
Net sales	$ 415,619,365	$ 175,820,275
Cost of sales	290,801,354	123,802,334
Expenses	75,423,647	33,712,252
Restruc. expense	1,043,776	—
Interest expense	21,067,986	9,577,499
Amort. of goodwill	1,502,034	550,840
Other income	(1,438,577)	(3,462,447)
Unusual item	801,595	—
Income before taxes	$ 26,417,550	$ 11,639,797
Income taxes	8,651,019	3,556,855
Net Income	$ 17,766,531	$ 8,082,942

* Included in Costs and Expenses, Depreciation and Amortization: $22,288,201 in 1989 and $9,493,681 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 26,881,498	$ 28,020,541
Short-term invest.	897,483	1,740,171
Acct. receiv., net	76,088,347	71,637,375
Other receivables	3,501,601	5,607,008
*Inventories	87,496,119	81,540,848
Prepaid expenses & other assets	6,762,851	9,655,647
Current Assets	$ 201,627,899	$ 198,201,590
#Fixed assets	150,911,522	145,722,956
Intangibles	57,439,517	57,327,813
Other assets	9,979,224	8,234,531
Total Assets	$ 419,958,162	$ 409,486,890

Liabilities

Notes payable	$ 12,881,942	$ 10,278,402
Long-term debt, curr.	15,836,467	12,303,469
Accts. payable	20,608,638	22,581,067
Payroll & rel. expenses	16,408,451	15,703,646
Other accruals	16,893,549	16,546,947
Income taxes	3,053,659	1,798,126
Curr. Liabilities	$ 85,682,706	$ 79,211,657
Long-term debt	186,182,228	202,550,758
Deferred taxes	13,088,552	7,885,430
Accrued pension costs	17,020,477	15,351,431
+ Common stock	862,587	851,255
+ Class B common stock	315,095	337,667
Add. paid-in capital	52,792,009	54,115,517
Retained earnings	68,251,386	50,484,855
For. curr. trans. adjust.	(3,351,468)	1,689,368
Unearned comp.	(885,410)	(2,991,048)
Total Liabilities & Shareholders' Equity	$ 419,958,162	$ 409,486,890

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income before Taxes to Sales	6.36	6.62
% Net Income to Sales	4.27	4.60
% Net Income to Equity	15.06	7.74
Sales to Inventories	4.75	2.16
Debt to Equity	1.82	2.15
Working Capital	$ 115,945,193	$ 118,989,933
Current Ratio	2.35	2.50
Shareholders' Equity	$ 117,984,199	$ 104,487,614

Vitronics Corporation

4 Forbes Road
Newmarket Industrial Park
Newmarket, New Hampshire 03857
(603) 659-6550
FAX: (603) 659-7194

Officers: James J. Manfield, Jr., chairman of the board, president & chief executive officer; Elliot M. Katzman, v.p.-finance, treasurer & chief financial officer; Edward A. Richards, v.p.-sales & marketing; David L. Lougee, clerk; Lorrainne D. Giordano, asst. clerk & manager of human resources.

Directors: James J. Manfield, Jr., chairman; Allan M. Doyle, Jr., David L. Lougee, David A. Steadman, Allen H. Keough, Edward A. Richards.

Areas of Work: Engaged in the design, engineering, manufacture and marketing of state-of-art thermal process and associated systems for the production soldering and cleaning of surface-mounted devices to printed circuit boards. The Company's thermal process equipment is also used in the production soldering of ceramic hybrids, semiconductors and glass/epoxy and adhesive curing, thermoplastic processing, touch membrane and flexible circuit processing and graphics processing.

Subsidiaries:

Vitronics Energy Systems, Inc.
Newmarket, New Hampshire
Markets the Company's products to the electronics industry.

Vitronics Europe Limited
Plymouth, England
Manufactures and markets the Company's products for the European market.

Gram Corporation
Newmarket, New Hampshire
Manufactures aqueous cleaning equipment used primarily in the manufacture and assembly of electronic components.

Micro Electronics Systems Corporation
3 Quarry Road
Brookfield, Connecticut 06804
(203) 775-1440
Manufactures a variety of products for sale to the surface mount and electronics industries.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: VTC

Number of Employees:

1989	138	1987	95
1988	133		

Plant Footage:

1989	65,990 sq. ft.	1987	50,500
1988	71,000		

Sales & Earnings

	Net Sales	Met Income †
1989	$ 20,575,000	$ 827,000
1988	16,544,000	528,000
1987	10,527,000	612,000
1986	7,162,000	302,000
1985	3,707,000	54,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	4,195,000	$ 0.20
1988	4,182,000	0.13
1987	4,170,000	0.15
1986	3,789,000	0.08
1985	3,368,000	0.02

† Including extraordinary gains of $30,000 ($0.01 per share) in 1988 and $95,000 ($0.03 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 6,157,000	$ 1.47
1988	5,337,000	1.28
1987	4,492,000	1.08
1986	4,128,000	1.09
1985	1,803,000	0.54

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 20,575,000	$ 16,544,000
Cost of sales	10,589,000	8,658,000
Expenses:		
Research & develop.	2,039,000	1,166,000
Sell., gen., & adm.	6,233,000	5,458,000
Loss on writedown of solvent cleaners	—	205,000
Other expenses	377,000	354,000
Income before taxes	$ 1,337,000	$ 703,000
Income taxes	510,000	205,000
Net Income	$ 827,000	$ 498,000
Extraord. gain	—	30,000
Net Income & extraord. gain	$ 827,000	$ 528,000

* Included in Costs and Expenses, Depreciation and Amortization: $415,000 in 1989 and $347,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 3,516,000	$ 2,638,000
Accts. receiv., net	3,638,000	3,366,000
Refund. inc. taxes	—	373,000
*Inventories	3,187,000	2,751,000
Prepaid inc. taxes	264,000	247,000
Other curr. costs	166,000	251,000
Current Assets	$ 10,771,000	$ 9,626,000
Investments	513,000	557,000
#Fixed assets	702,000	825,000
Other assets	1,387,000	1,436,000
Total Assets	$ 13,373,000	$ 12,444,000

Liabilities

Notes payable	$ —	$ 270,000
Long-term debt, curr.	128,000	130,000
Accts. payable	1,271,000	1,382,000
Income taxes	368,000	153,000
Other current liabilities	1,908,000	1,395,000
Curr. Liabilities	$ 3,675,000	$ 3,330,000
Long-term debt	3,541,000	3,777,000
+Common stock	42,000	42,000
Add. paid-in capital	4,251,000	4,251,000
Retained earnings	2,040,000	1,213,000
For. curr. trans.	(10,000)	32,000
Unrealized loss on eq. secur.	(166,000)	(201,000)
Total Liabilities & Shareholders' Equity	$ 13,373,000	$ 12,444,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.50	4.25
%Net Income to Sales	4.02	3.01
%Net Income to Equity	13.43	9.33
Sales to Inventories	6.46	6.01
Debt to Equity	0.60	0.78
Working Capital	$ 7,096,000	$ 6,296,000
Current Ratio	2.93	2.89
Shareholders' Equity	$ 6,157,000	$ 5,337,000

Wang Laboratories, Inc.

One Industrial Avenue
Lowell, Massachusetts 01851
(508) 459-5000
FAX: (508) 452-0896

Officers: An Wang, chairman of the board & chief exec. officer; Richard W. Miller, president & chief operating officer; Harry H.S. Chou, vice chairman; Eugene M. Bullis, sr. v.p., chief financial officer, treasurer & corporate controller; Edward D. Grayson, sr. v.p., general counsel, clerk & secretary; Raymond C. Cullen, Jr., sr. v.p.; Edward J. Devin, sr. v.p.; Michael P. Downes, sr. v.p.-manufacturing; Louis B. Green, sr. v.p.; Arend Vleggeert, sr. v.p.; Paul Guzzi, sr. v.p.; Horace Tsiang, sr. v.p. & chief development officer; John T. Chambers, sr. v.p.-Americas, Asia/Pacific operations; Edward V. Yang, sr. v.p.-Western U.S. operations.

Directors: An Wang, chairman of the board; Peter A. Brooke, Richard W. Miller, Frederick A. Wang, Lorraine C. Wang, Harry H.S. Chou, Ernest F. Stockwell, Jr., Martin Kirkpatrick, Louis W. Cabot, Howard R. Swearer, Paul E. Tsongas, Horace Tsiang.

Areas of Work: Designs, manufactures, markets and services computers and related peripheral devices for the office automation marketplace. These products are combined into systems which perform data processing, word processing, audio processing and image processing functions and include networking products which enable such systems to communicate with each other.

Subsidiaries:

Wang Computer Pty., Ltd.
Box 407, Milsons Point
Sydney, N.S.W. 2061, Australia

Wang Gesellschaft m.b.H
Linke Wienzeille 234
A-1150 Vienna, Austria

Wang Europe S.A./N.V.
350, Avenue Louise
1050 Brussels, Belgium

Wang Canada, Ltd.
225 Duncan Mills Road
1st Floor
Don Mills, Ontario, Canada M3B 3K9

Wang Industrial Co. Ltd.
Taipei, Taiwan

Wang Computer China, Ltd.
Beijing, China

Wang Laboratories, Inc.

Wang (UK) Ltd.
Wang House
661 London Road
Isleworth
Middlesex, TW7 4EH, United Kingdom

Wang Computer Limited
Hazama Building 14th Floor
5-8, Kita Aoyama 2-Chome
Minato-Ku, Tokyo 107, Japan

Wang Europe S.A./N.V.
Luxembourg

Wang New Zealand Limited
Eden House
44 Khyber Pass Road
Aukland, New Zealand

Wang Computer (Pte.) Ltd.
101 Thomson Road, 12-00
Gold Hill Square
Singapore 1130, Republic of Singapore

Wang France S.A.
Tour Gallieni 1
78/80 Avenue Gallieni
93170 Bagnolet, France

Wang Deutschland, GmbH
Lyoner Strasse 26
Postfach 710 570 6000, West Germany

Wang Nederland B.V.
Postbus 4
4100 AA Culemborg, Netherlands

Wang Svenska AB
Dalvagen 8
Box 1196
S-171 23 Solna, Sweden

Wang Italia, S.p.A.
Centro Terziario
Strada Statale, Padana Superoire
Vimodrone 20090
Milano, Italy

Wang (Schweiz) A.G.
Talackerstrasse 7
8152 Glattbrugg
P.O. Box 8065
Zurich, Switzerland

Wang Pacific Limited
31st Floor, Hennessy Centre
Causeway Bay
500 Hennessy Road,
Hong Kong

Wang Computadoras, Inc.
Banco Popular Center
Suite 1501
Hato Rey 00918, Puerto Rico

Wang Ireland Limited
Wang House
Harcourt Centre
Harcourt Street
Dublin 2, Ireland

Wang de Panama S.A.
Apartado 6425
Ave. Justo Arosemena
Cale 44, Bella Vista
Panama City 5, Panama

Wang de Panama S.A.
Costa Rica

Wang de Mexico S.A. de C.V.
Mexico

Wang Computer Korea, Ltd.
South Korea

Wang Espana S.A.
Spain

Informatics Legal Systems
Phoenix, Arizona

Wang Credit Corporation
Lowell, Massachusetts

Wang Development & Investment Corporation
Lowell, Massachusetts

Wang Information Services Corp.
Lowell, Massachusetts
Telecommunications and voice mail services.

Wang Financial Information Services Corp.
New York, New York
Provides market data services for the brokerage, banking and insurance industries.

InteCom Inc.
Allen, Texas

Wang Communications, Inc.
Arlington, Virginia

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): American, Swiss

Ticker Symbol: WAN

Number of Employees:

1989	29,200	1986	31,628
1988	31,516	1985	31,061
1987	30,306		

Plant Footage:

1989	3,000,000 sq. ft.	1986	N.A.
1988	3,000,000	1985	3,197,000
1987	2,800,000		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income
1989	$ 2,868,800,000	$ (424,300,000)
1988	2,914,500,000	92,700,000
1987	2,724,100,000	(70,700,000)
1986	2,607,300,000	50,900,000
1985	2,331,100,000	15,500,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	163,600,000	$ —
1988	165,700,000	0.56
1987	159,800,000	—
1986	146,600,000	0.35
1985	141,100,000	0.11

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of Class B Common and Class C Common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989 Class B	$ 0.16	—	—
1989 Class C	0.11	—	
1988 Class B	0.16	—	—
1988 Class C	0.11	—	—
1987 Class B	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,130,800,000	$ 6.90
1988	1,586,100,000	9.67
1987	1,486,200,000	9.15
1986	1,447,600,000	9.59
1985	1,248,300,000	8.93

Income Account *
(000's)

Year ended June 30	1989	1988
Revenues:		
Net sales	$ 1,863,800	$ 1,895,700
Service & rental inc.	1,005,000	1,018,800
Total revenues	$ 2,868,800	$ 2,914,500
Cost of revenues	1,562,200	1,457,300
Expenses	1,372,200	1,288,500
Restruc. costs	140,000	—
Interest expense	57,100	55,000
Inc. (loss) bef. taxes	$ (262,700)	$ 113,700
Income taxes	57,900	25,100
Inc. (loss)-cont. oper.	$ (320,600)	$ 88,600
Inc. (loss)-discont. oper.	(103,700)	4,100
Net Income (Loss)	$ (424,300)	$ 92,700

* Included in Costs and Expenses, Depreciation: $263,400,000 in 1989 and $257,900,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 257,900	$ 149,100
Accts. receiv., net	529,600	507,700
*Inventories	359,600	368,500
Prepaid expenses & other curr. assets	105,100	99,600
Investments	39,600	—
Net assets-discont. oper.	29,900	32,200
Current Assets	$ 1,321,700	$ 1,157,100
#Fixed assets	665,200	695,100
#Spare parts	266,200	384,900
Investments & other assets	199,100	239,800
Net assets-discont. oper.	273,500	338,900
Total Assets	$ 2,725,700	$ 2,815,800

Liabilities
(000's)

Notes payable	$ 83,600	$ 12,800
Commercial paper	125,500	56,500
Long-term debt, curr.	128,400	52,200
Accts. payable	458,200	389,600
Unearned serv. revenue	162,100	164,400
Income taxes	3,200	6,700
Dividends payable	6,500	6,500
Curr. Liabilities	$ 967,500	$ 688,700
Long-term debt	622,500	535,400
Deferred inc. taxes	4,900	5,600
+ Class B Common	79,200	79,100
+ Class C Common	2,900	2,900
Add. paid-in capital	948,300	947,800
For. curr. trans. adj.	(75,800)	(72,100)
Retained earnings	178,800	629,100
Treasury stock	(2,600)	(700)
Total Liabilities & Shareholders' Equity	$ 2,725,700	$ 2,815,800

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Net Income to Equity	—	5.84
Debt to Equity	0.85	0.41
Working Capital	$ 354,200,000	$ 468,400,000
Current Ratio	1.37	1.68
Shareholders' Equity	$ 1,130,800,000	$ 1,586,100,000

Washington Scientific Industries, Inc.

2605 West Wayzata Boulevard
Long Lake, Minnesota 55356
(612) 473-1271
FAX: (612) 473-2945

Officers: C.W. Dinsmore, president & chief exec. officer; Terry J. Blount, v.p.-human resources; Bernard E. Kinney, v.p.-finance; William J. Lucke, v.p.-contract manufacturing division; George E. Rathke, v.p.-contract services, marketing & corp. planning; William M. Booth, v.p.; Gerald E. Magnuson, secretary.

Directors: A.E. Abramson, Paul Baszucki, Warren G. Christianson, C.W. Dinsmore, Melvin L. Katten, Gerald E. Magnuson, George J. Martin, T.E. Larsen, Eugene Mora.

Area of Work: The Company, through its two operating divisions, manufactures precision-machined metal and plastic injection molded components and subassemblies, hydraulic motors and mechanical power transmission gearboxes for a variety of industries.

Divisions:

Contract Services Division

Advanced Custom Molders, Inc.
Georgetown, Texas
Manufactures precision plastic components for a variety of industries.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WSCI (NASDAQ)

Number of Employees:

1989	814	1986	404
1988	685	1985	518
1987	393		

Sales & Earnings

	Net Sales	Net Income
1989	$ 61,503,000	$ 2,948,000
1988	36,776,000	69,000
1987	29,267,000	1,698,000
1986	24,516,000	376,000
1985	28,642,000	2,078,000

	No. of Com. Shares ‡	Earn per Share ‡
1989	2,383,694	$ 1.24
1988	2,461,831	0.03
1987	2,475,779	0.69
1986	2,437,471	0.15
1985	2,412,425	0.86

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1989	1988
Contract manufacturing	$ 42,212,000	$ 32,252,000
Plastic injection molding	19,291,000	4,524,000
Total	$ 61,503,000	$ 42,650,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.155	—	—
1988	0.15	—	
1987	0.15	—	—
1986	0.10	—	—
1985	0.09	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 17,587,000	$ 7.41
1988	15,873,000	6.44
1987	16,298,000	6.56
1986	14,804,000	6.04
1985	14,534,000	5.99

Income Account *

Year ended	8/27/89	8/28/88
Net sales	$ 61,502,786	$ 36,775,607
Cost of sales	50,262,039	30,552,600
Expenses	6,282,314	3,573,345
Prov. for costs rel. to restruc.	(73,312)	2,429,000
Interest expense	1,301,950	552,478
Interest income	(438,489)	(621,074)
Income before taxes	$ 4,168,284	$ 289,258
Income taxes	1,637,000	374,000
Inc. (loss)-cont. oper.	$ 2,531,284	$ (84,742)
Inc.-discont. oper.	417,291	153,600
Net Income	$ 2,948,575	$ 68,858

* Included in Costs and Expenses, Depreciation and Amortization: $3,434,062 in 1989 and $2,606,751 in 1988.

Assets

As of	8/27/89	8/28/88
Cash	$ 4,156,680	$ 464,685
Temp. cash invest.	—	2,800,000
Accts. receiv, net	11,477,774	6,804,256
Refundable taxes	—	272,000
Deferred tax charges	30,000	388,000
*Inventories	6,703,650	5,462,021
Prepaid expenses	347,342	204,064
Current Assets	$ 22,715,446	$ 16,395,026
#Fixed assets	21,090,742	14,253,822
Exc. of cost over assets acq.	3,282,713	3,554,516
Other assets	416,554	400,958
Total Assets	$ 47,505,455	$ 34,604,322

Liabilities

Note payable	$ 5,825,000	$ 2,325,000
Long-term debt. curr.	1,137,345	1,139,222
Accts. payable	6,524,837	4,191,425
Accrued payroll	2,047,501	1,584,788
Accrued pension contrib.	274,748	177,099
Prov. for costs rel. to restruc.	22,000	336,947
Accrued real est. taxes	200,281	174,233
Other accruals	944,445	853,139
Inc. taxes payable	364,045	—
Curr. Liabilities	$ 17,340,202	$ 10,781,853
Long-term debt	11,279,390	6,597,564
Deferred inc. taxes	1,299,133	1,352,133
+Common stock	237,440	246,621
Add. paid-in capital	1,359,215	1,152,699
Retained earnings	15,990,075	14,473,452
Total Liabilities & Shareholders' Equity	$ 47,505,455	$ 34,604,322

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	16.77	0.43
Sales to Inventories	9.17	7.81
Debt to Equity	1.04	0.63
Working Capital	$ 5,537,244	$ 5,613,173
Current Ratio	1.31	1.52
Shareholders' Equity	$ 17,586,730	$ 15,872,772

Waters Instruments, Inc.

2411 Seventh Street, N.W.
Valley High Industrial Park
Rochester, Minnesota 55903
(507) 288-7777
FAX: (507) 288-7218

Mailing Address:
P.O. Box 6117
Rochester, Minnesota 55903-6117

Officers: George F. Waters, co-chairman of the board; Stewart D. Siebens, co-chairman of the board; Richard E. Thompson, v.p.-Farm Products Group; Robert D. Dunbar, v.p.-Sub-Contract Group; George Sedivy, v.p.-engineering & product development; James M. Liberko, secretary & treasurer.

Directors: Charles A. Elliott, Stewart D. Siebens, J. William McRoberts, George F. Waters, James A. Hornig, Charles G. Schiefelbein.

Groups:

Farm Products Group
Rochester, Minnesota
Manufactures electric fence chargers for farm use.

Sub Contract Group
Rochester, Minnesota
Engaged in sub-contract manufacturing of cable harness assemblies and other electric or mechanical assemblies for computer equipment manufacturers.

Medical Group
Rochester, Minnesota
Produces electro-medical equipment and analytical instruments for hospital and laboratory use. Oximeters for measuring the oxygen saturation of human blood, cardiac out-put computers for determining heart function and "MOX" 100 kidney preservation equipment used in kidney transplant surgery.

Transfer Agent(s):

Norwest Capital Resources, Norwest Bank Minnesota, N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTRS (NASDAQ)

N. A- Not available.

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 12,321,000	$ 85,000
1989	12,300,000	284,000
1988	12,210,000	361,000
1987	11,909,000	102,000
1986	10,805,000	(71,000)

	No. of Com. Shares †	Earn. per Share ‡ +
1990	1,445,871	$ 0.06
1989	1,445,871	0.20
1988	1,445,871	0.25
1987	1,433,071	0.07
1986	1,428,964	—

(Loss)
‡ Including extraordinary gain of $301,000 ($0.21 per share) in 1988.
† Adjusted to reflect stock split.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1990	1989
Sub-contract group	$ 3,716,000	$ 4,138,000
Farm products group	5,946,000	5,980,000
Medical group	2,659,000	2,182,000
Total	$ 12,321,000	$ 12,300,000

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1990	$ 0.08	—	—
1989	0.08	—	
1988	0.05	—	—
1987	0.05	—	3-for-2
1986	0.07	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 5,524,000	$ 3.82
1989	5,555,000	3.84
1988	5,387,000	3.73
1987	5,042,000	3.52
1986	4,995,000	3.50

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 12,321,000	$ 12,300,000
Cost of sales	9,306,000	9,462,000
Expenses	2,992,000	2,952,000
Oper. profit (loss)	$ 23,000	$ (114,000)
Interest income	(145,000)	(88,000)
Interest expense	35,000	39,000
Inc. (loss) bef. taxes	$ 133,000	$ (65,000)
Income taxes (credit)	48,000	(48,000)
Net Income (Loss)	$ 85,000	$ (17,000)
Extraord. gain	—	301,000
Net Income (Loss) & extraord. gain	$ 85,000	$ 284,000

* Included in Costs and Expenses, Depreciation and Amortization: $195,000 in 1990 and $225,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash	$ 539,000	$ 366,000
Short-term invest.	1,817,000	1,543,000
Receiv., net	1,478,000	1,567,000
Refund. inc. taxes	140,000	—
*Inventories	1,833,000	2,648,000
Prepaid expenses	178,000	95,000
Current Assets	$ 5,985,000	$ 6,219,000
#Fixed assets	1,090,000	1,183,000
Other assets	44,000	63,000
Intangibles	210,000	227,000
Total Assets	$ 7,329,000	$ 7,692,000

Liabilities

Long-term debt, curr.	$ 273,000	$ 46,000
Accts. payable	777,000	875,000
Accrued payroll	508,000	495,000
Accrued inc. taxes	—	295,000
Other accruals	154,000	118,000
Curr. Liabilties	$ 1,712,000	$ 1,829,000
Long-term debt	36,000	308,000
Deferred inc. taxes	57,000	—
+Common stock	144,000	144,000
Add. paid-in capital	1,208,000	1,208,000
Retained earnings	4,172,000	4,203,000
Total Liabilities & Shareholders' Equity	$ 7,329,000	$ 7,692,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.08	—
%Net Income to Sales	0.69	—
%Net Income to Equity	1.54	—
Sales to Inventories	6.72	4.65
Debt to Equity	0.06	0.06
Working Capital	$ 4,273,000	$ 4,390,000
Current Ratio	3.50	3.40
Shareholders' Equity	$ 5,524,000	$ 5,555,000

Watkins-Johnson Company

Stanford Research Park
3333 Hillview Avenue
Palo Alto, California 94304-1204
(415) 493-4141
FAX: (415) 493-1027

Officers: Dean A. Watkins, chairman of the board; H. Richard Johnson, vice chairman; W. Keith Kennedy, Jr., president & chief executive officer; Keith D. Gilbert, v.p.-Defense Group; Bernard Rosen, v.p.; Ronald D. Lessack, v.p.-Commercial Group; Barry R. Hoglund, v.p.; Paul Y. Lin, v.p.; Peter S. Pao, v.p.-Electronic Equipment Group; Alfred C. Montaudon, v.p.-Environmental Division; Carl L. Avelar, v.p. & chief financial officer; Richard P. Hollis, v.p.; James L. Schram, v.p.; Scott G. Buchanan, treasurer; Carol H. Roosen, secretary.

Directors: Dean A. Watkins, chairman; H. Richard Johnson, John J. Hartmann, Rita R. Campbell, Jack L. Shepard, Von R. Eshleman, Raymond F. O'Brien, W. Keith Kennedy, Jr., William R. Graham.

Areas of Work: Engaged in the development, design and production of receiving equipment for surveillance, direction finding and countermeasures; antenna-to-data-reduction reconnaissance and surveillance systems; solid-state amplifiers, travelling-wave and backward-wave tubes and oscillators, tuners, receivers and computer-controlled microwave receiving systems and environmental consulting.

Divisions:

Systems Group

Electronic Equipment Group

Components Division
Subsystems Division
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Electronic Systems Division
Retail Division
San Jose, California

CEI Division
Gaithersburg, Maryland

Commercial Equipment Division
Scotts Valley, California

Subsidiaries:

Watkins-Johnson Associates
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson International
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Limited
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Italiana, S.p.A.
Rome, Italy

Watkins-Johnson FSC
Foreign Sales Corporation

Watkins-Johnson (UK) Limited
England

R.L. Stollan & Associates
Santa Ana, California

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Philadelphia, Pacific, Boston

Ticker Symbol: WJ

Number of Employees:

1989	3,160	1986	3,150
1988	3,150	1985	3,110
1987	3,130		

Plant Footage:

1989	1,010,000 sq. ft.	1986	920,000
1888	1,010,000	1985	980,000
1987	950,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 310,701,000	$ 18,724,000
1988	292,205,000	20,598,000
1987	264,251,000	17,116,000
1986	255,382,000	17,241,000
1985	232,587,000	18,437,000

	No. of Com. Shares +	Earn. per Share +
1989	8,403,585	$ 2.23
1988	8,380,888	2.46
1987	8,364,303	2.05
1986	8,752,569	1.97
1985	9,490,402	1.94

+ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1989	1988	1987	1986
Systems	63 %	60 %	52 %	51 %
Devices	37	40	48	49
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.46	—	—
1988	0.40	—	
1987	0.40	—	—
1986	0.40	—	—
1985	0.36	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 149,147,000	$ 17.75
1988	134,097,000	16.00
1987	116,470,000	13.92
1986	102,557,000	11.72
1985	105,868,000	11.16

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 310,701,000	$ 292,205,000
Cost of sales	197,739,000	184,226,000
Expenses	86,533,000	76,180,000
Interest income	(2,429,000)	(947,000)
Interest expense	1,905,000	1,973,000
Settlements & claims	1,374,000	—
Income before taxes	$ 28,327,000	$ 30,773,000
Income taxes	9,603,000	10,175,000
Net Income	$ 18,724,000	$ 20,598,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,222,000 in 1989 and $12,214,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 26,572,000	$ 24,507,000
Receiv., net	86,556,000	73,038,000
*Inventories	46,518,000	43,493,000
Claims receiv. & other	9,544,000	3,519,000
Current Assets	$ 169,190,000	$ 144,557,000
#Fixed assets	51,310,000	52,388,000
Notes receivable	2,506,000	2,641,000
Deferred inc. taxes	1,911,000	1,335,000
Claims receiv. & other	1,847,000	8,728,000
Total Assets	$ 226,764,000	$ 209,649,000

Liabilities

Notes payable	$ 453,000	$ 529,000
Accts. payable	13,428,000	12,204,000
Advances on contracts	11,099,000	8,848,000
Income taxes	1,442,000	1,748,000
Payroll & prof. sharing	17,597,000	16,832,000
Guarantee under term. contract	—	1,875,000
Other curr. liabilities	11,129,000	9,640,000
Curr. Liabilities	$ 55,148,000	$ 51,676,000
Long-term oblig.	22,469,000	23,876,000
+ Common stock	8,289,000	8,097,000
Retained earnings	140,858,000	126,000,000
Total Liabilities & Shareholders' Equity	$ 226,764,000	$ 209,649,000

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	9.12	10.53
%Net Income to Sales	6.03	7.05
%Net Income to Equity	12.55	15.36
Sales to Inventories	6.68	6.72
Debt to Equity	0.15	0.18
Working Capital	$ 114,042,000	$ 92,881,000
Current Ratio	3.07	2.80
Shareholders' Equity	$ 149,147,000	$ 134,097,000

Wavetek

9145 Balboa Avenue
San Diego, California 92123
(619) 450-9971
FAX: (619) 450-0325

Officers: David B. Pivan, chairman of the board; C. Fredrick Sehnert, president & chief exec. officer; Lawrence C. Dolan, v.p.-sales & marketing; John F. Kessler, chief financial officer; Daniel L. Sullivan, v.p.-human resources; Sandra M. Walker, secretary; Harold A. Stitt, v.p.-marketing; Darrell Johnson, v.p.-research & development; David Metcalfe, v.p.-international sales operation.

Directors: David B. Pivan, chairman; C. Fredrick Sehnert, David M. Goodman, J. Garrett Fitzgibbons, Joel A. Naive, Katherine P. Naive, John M. Thornton.

Areas of Work: Designs, manufactures and sells electronic test and measurement equipment used in a variety of industrial, laboratory and defense applications involving the evaluation and manufacture of electronic circuits and related equipment.

Subsidiaries:

Wavetek RF Products, Inc.
5808 Churchman
Indianapolis, Indiana 46107
(317) 788-9351

Wavetek Electronics GmbH
Hans-Pinsel-Strasse 9-10
8013 Haar bei Munchen, Federal Republic of Germany

Wavetek Microwave, Inc.
488 Tasman Drive
Sunnyvale, California 94089

Wavetek San Diego, Inc.
9045 Balboa Avenue
San Diego, California 92123

Datron Instruments, Ltd.
Hurricane Way
Norwich NR6 6JB, England

Designs, develops and manufactures premium digital multimeters, calibrators, waveform analyzers and pulse generators.

Transfer Agent(s):

California First Bank
P.O. Box 2529
8155 Mercury Court
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WVTK (NASDAQ)

Number of Employees:

1989 904
1988 1,007
1987 1,248
1986 1,082
1985 1,047

Plant Footage:

1989 .... 450,323 sq. ft.

N.A. -- Not Available.

Sales & Earnings

	Net Sales #	Net Income †
1989	$ 85,190,000	$ 895,000
1988	84,293,000	(7,614,000)
1987*	82,536,000	3,850,000
1986	73,824,000	3,081,000
1985	75,409,000	(14,316,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	8,904,000	$ 0.10
1988	8,889,000	—
1987*	9,193,000	0.42
1986	9,120,000	0.34
1985	9,074,000	—

(Loss)
* 53 weeks.
# Of continuing operations only; includes other income.
† Including extraordinary gain of $824,000 ($0.09 per share) in 1987.
‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 58,913,000	$ 6.62
1988	58,205,000	6.55
1987	68,442,000	7.45
1986	64,163,000	7.04
1985	60,478,000	6.66

Income Account *

Year ended Sept. 30	1989 (53 weeks)	1988
Net sales	$ 85,190,000	$ 84,293,000
Cost of sales	46,479,000	43,356,000
Expenses	36,284,000	43,791,000
Prov. for restruc. of oper.	—	2,904,000
Lawsuit settlement	575,000	2,400,000
Interest expense	803,000	569,000
Interest income	(306,000)	(338,000)
Income (loss) bef. taxes	$ 1,355,000	$ (8,389,000)
Income taxes (credit)	460,000	(775,000)
Net Income (Loss)	$ 895,000	$ (7,614,000)

* Included in Costs and Expenses, Depreciation and Amortization: $4,301,000 in 1989 and $4,904,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 2,036,000	$ 2,331,000
Receiv., net	16,372,000	18,787,000
Income taxes refundable	430,000	387,000
*Inventories	22,925,000	26,874,000
Other curr. assets	625,000	633,000
Current Assets	$ 42,388,000	$ 49,012,000
#Fixed assets	20,473,000	22,951,000
Goodwill	12,584,000	13,125,000
Other assets	191,000	317,000
Total Assets	$ 75,636,000	$ 85,405,000

Liabilities

Notes payable	$ 408,000	$ 7,433,000
Long-term debt, curr.	167,000	224,000
Accts. payable	3,377,000	4,832,000
Income taxes	179,000	957,000
Accrued payroll	2,419,000	2,225,000
Accrued commissions	1,161,000	1,236,000
Other curr. liab.	3,270,000	5,132,000
Accrued restruc. costs	164,000	529,000
Curr. Liabilities	$ 11,145,000	$ 22,568,000

Long-term debt	2,816,000	2,878,000
Deferred inc. taxes	2,762,000	1,754,000
+Common stock	8,920,000	8,888,000
Add. paid-in capital	42,074,000	41,946,000
Retained earnings	8,530,000	7,635,000
Cum. trans. adj.	(611,000)	(264,000)
Total Liabilities & Shareholders' Equity	$ 75,636,000	$ 85,405,000

• At cost (FIFO) not in excess of market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.59	—
%Net Income to Sales	1.05	—
%Net Income to Equity	1.52	—
Sales to Inventories	3.72	3.14
Debt to Equity	0.06	0.18
Working Capital	$ 31,243,000	$ 26,444,000
Current Ratio	3.80	2.17
Shareholders' Equity	$ 58,913,000	$ 58,205,000

WEIGH-TRONIX, Inc.

1000 Armstrong Drive
Fairmont, Minnesota 56031
(507) 238-4461
FAX: (507) 238-9363

Officers: Richard S. Bradley, president & chief exec. officer; Herbert H. Davis, Jr., chairman of the board; Peter H. Cole, v.p.-sales, postal & retail prods. & company stores; Vincent D. DelSantro, v.p.-mfg.; gen. mgr., Fairmont facility; Gene I. Katz, v.p.-engineering; David R. McManamy, v.p.-finance & treasurer; David L. Marshall, v.p.-marketing; Randy J. Newlin, v.p.-sales, industrial prods.; Roderick D. Armitage, secretary; Emery J. Lee, assistant secretary.

Directors: Arthur W. Schwalm, Angelo E. Agliardo, Richard E. Brown, Roderick D. Armitage, James L. Koley, Christopher R. Burns, Herbert H. Davis, Jr., Richard S. Bradley, Brian H. Kent.

Areas of Work: The company designs, manufactures and markets electronic weighing equipment.

Divisions:

NCI
Engaged in the design and manufacture of scale based systems used by retail stores, mail rooms and shipping departments, food processors and inventory control applications in industry.

Dillon
Engaged in the business of tension and compression force measurement. Three of the more common uses are for product development, quality assurance, and the utilities industry.

Weigh-Tronix
Manufactures scale equipment which serves the transportation, agriculture and material handling markets.

Transfer agent(s):

Mellon Bank
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WGHT

Sales & Earnings

	Net Sales	Net Income
4/1/89	$ 57,970,241	$ 3,132,302
3/31/88	61,321,342	4,382,498
12/31/86	16,504,858	1,409,867

	No. of Com. Shares	Earn. per Share +
4/1/89	2,645,644	$ 1.18
3/31/88	2,592,563	1.69
12/31/86	2,539,058	0.72

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
4/1/89	$ 0.40	—	—
3/31/88	0.40	—	
12/31/86	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
4/1/89	$ 23,825,484	$ 9.01
3/31/88	20,619,778	7.95
12/31/86	16,242,268	6.49
12/31/85	10,055,683	—

Income Account *

Year ended	4/1/89	3/31/88
Net sales	$ 57,970,241	$ 61,321,342
Cost of sales	38,374,759	40,632,831
Expenses	13,535,571	12,316,929
Interest income	(14,109)	(162,875)
Interest expense	1,014,406	881,974
Other expense	4,017	19,985
Income before taxes	$ 5,055,597	$ 7,632,498
Income taxes	1,923,295	3,250,000
Net Income	$ 3,132,302	$ 4,382,498

* Included in Costs and Expenses, Depreciation and Amortization: $2,327,605 in 1989 and $2,179,567 in 1988.

Assets

As of	4/1/89	3/31/88
Cash & cash equiv.	$ —	$ 96,523
Accts. receiv., net	10,945,354	9,328,361
Refundable taxes	323,000	—
*Inventories	16,909,600	17,732,206
Prepaid expenses	247,215	280,849
Current Assets	$ 29,319,914	$ 28,078,542
#Fixed assets	12,653,800	12,550,199
Intangibles	3,535,439	4,499,670
Total Assets	$ 45,509,153	$ 45,128,411

Liabilities

Notes payable	$ —	$ 1,800,000
Long-term debt, curr.	3,119,539	1,361,429
Accts. payable	3,747,088	4,056,283
Accruals	2,605,428	4,094,581
Current Liabilities	$ 9,472,055	$ 11,312,293
Long-term debt	11,113,194	12,399,062
+Common stock	26,787	1,312,807
Add. paid-in capital	9,121,048	6,710,099
Retained earnings	15,025,107	12,944,330
Treasury stock	(347,458)	(347,458)
Total Liabilities & Shareholders' Equity	$ 45,509,153	$ 45,128,411

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.72	12.45
% Net Income to Sales	5.40	7.15
% Net Income to Equity	13.15	21.25
Sales to Inventories	3.43	3.46
Debt to Equity	0.60	0.75
Working Capital	$ 19,847,859	$ 16,766,249
Current Ratio	3.10	2.48
Shareholders Equity	$ 23,825,484	$ 20,619,778

Weldotron Corporation

1532 South Washington Avenue
Piscataway, New Jersey 08855-3816
(201) 752-6700
FAX: (212) 227-6663

Officers: Martin Siegel, president; Seymour G. Siegel, v.p.-finance, secretary and treasurer; Albert W. Sanders, v.p. & controller; William D. Huggins, v.p.-operations; Kenneth R. Heindrichs, v.p. & gen. mgr.-Safety & Automation Systems Division.

Directors: Martin Siegel, chairman; Seymour G. Siegel, Isidore Siegel, Robert P. Gibbons, Albert H. Cohen.

Areas of Work: Engaged in two areas of activity: Packaging, and Communications and Controls. The Packaging Systems Group manufactures and markets a comprehensive line of packaging systems for a broad range of industrial and consumer applications as well as innovative food packaging and weighing systems for supermarkets and fresh food processors. The Communications and Controls Group manufactures electronic systems for personnel safety and controls for monitoring high speed, automatic, production machinery.

Divisions and Subsidiaries:

Industrial Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Food Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Communications & Controls
Piscataway, New Jersey

Vision System Technologies
Valiant, IMC

Omnipack Machinery Corp.

Transfer Agent(s);

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: WLD

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income †
1990	$ 41,600,000	$ (3,347,000)
1989	42,417,000	(2,411,000)
1988	39,870,000	(656,000)
1987*	26,641,000	(1,516,000)
1986	35,514,000	643,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	1,830,173	$ —
1989	1,830,173	—
1988	1,826,721	—
1987*	1,822,733	—
1986	1,821,933	0.35

(Loss)

* 10 months.

† Including extraordinary gain of $142,000 ($0.08 per share) in 1986.

‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Packaging systems	$ 32,114,416	$ 33,926,293
Communications & controls	9,485,804	8,490,540
Total	$ 41,600,220	$ 42,416,833

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 9,659,735	$ 5.28
1989	13,123,480	7.17
1988	15,557,074	8.52
1987	15,881,417	8.71
1986	17,676,839	9.70

† Based on the weighted average number of shares outstanding.

Income Account

Year ended Feb. 28	1990	1989
Net sales	$ 41,600,220	$ 42,416,833
Other income	1,839,045	1,360,837
Total income	$ 43,439,265	$ 43,777,670
Cost of sales	31,604,560	31,205,822
Expenses	11,829,466	12,987,622
Depreciation & amortization	845,615	841,622
Interest expense	1,373,299	835,132
For. curr. trans. loss	798,647	614,645
Minority interest	126,723	110,487
Loss before taxes	$ (3,139,045)	$ (2,817,660)
Income taxes (credit)	208,000	(407,000)
Net Loss	$ (3,347,045)	$ (2,410,660)

Assets

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 1,232,613	$ 1,617,292
Accts. receiv., net	7,963,467	8,181,667
*Inventories	11,713,502	17,076,233
Prepaid expenses	346,247	306,477
Other curr. assets	1,135,533	929,124
Prepaid inc. taxes	72,628	73,209
Current Assets	$ 22,463,990	$ 28,184,002
#Fixed assets	4,300,519	3,988,574
Other assets	958,569	341,715
Total Assets	$ 27,723,078	$ 32,514,291

Liabilities

Short-term borrowings	$ 330,933	$ 6,629,268
Long-term debt, curr.	1,729,974	813,896
Accts. payable	2,984,921	4,759,501
Accrued payroll	1,211,397	1,304,237
Cust. deposits	593,150	737,878
Other curr. liabilities	834,315	727,031
Income taxes payable	213,703	124,632
Curr. Liabilties	$ 7,898,393	$ 15,096,443
Long-term debt	8,987,189	3,250,040
Deferred compensation	426,992	377,992
Minority interest	750,769	666,336
+Common stock	94,136	94,136
Add. paid-in capital	8,714,912	8,714,912
Retained earnings	1,061,972	4,409,017
For. curr. trans. adjust.	(87,928)	28,772
Treasury stock	(123,357)	(123,357)
Total Liabilities & Shareholders' Equity	$ 27,723,078	$ 32,514,291

* At LIFO cost.

# Less accumulated depreciation and amortization.

+ $0.05 par value.

Statistical Summary

Sales to Inventories	3.55	2.48
Debt to Equity	1.14	0.69
Working Capital	$ 14,565,597	$ 13,087,559
Current Ratio	2.84	1.87
Shareholders' Equity	$ 9,659,735	$ 13,123,480

Wells-Gardner Electronics Corporation

2701 North Kildare Avenue
Chicago, Illinois 60639
(312) 252-8220
FAX: (312) 252-8072

Officers: Thomas Miller, dir.-engineering; Richard L. Conquest, chief financial officer & secretary; Randall S. Wells, exec. v.p. & gen. mgr.; Lawrence J. Brady, v.p. & sales mgr.; Francis J. Meyers, president & chief executive officer; Larry Mahl, director of materials; Robert Willing, director of quality control.

Directors: T.S. Corwin, Allan Gardner, Frank S. Righeimer, Jr., James J. Roberts, Jr., John R. Blouin, Richard L. Conquest, Francis J. Myers.

Areas of Work: Engaged in the manufacture and assembly of video monitors, data display monitors, switching power supplies and optical touch screens.

Divisions and Subsidiaries:

Data Display Division
Produces videomonitors.

Video Games Division
Supplies monochrome and color raster and vector monitors to the coin-operated video game industry.

Energetic Systems, Inc.
Designs, manufactures and markets 100kHz switching power supplies.

Transfer Agent(s):

Harris Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): American

Ticker Symbol: WGA

Number of Employees:

1989	278	1986	270
1988	285	1985	285
1987	270		

Plant Footage:

1989	270,000 sq. ft.	1986	270,000
1988	270,000	1985	270,000
1987	270,000		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 33,175,000	$ (2,106,000)
1988	34,816,000	878,000
1987	28,679,000	796,000
1986	20,219,000	(190,000)
1985	18,504,000	(342,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,757,673	$ —
1988	3,760,189	0.23
1987	3,705,748	0.21
1986	3,599,328	—
1985	3,596,809	—

(Loss)

+ Of continuing operations only.

‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Manufacturing	$ 33,174,746	$ [illegible]702,283
Assembly	—	113,484
Total	$ 33,174,746	$ 34,815,767

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.07	—	

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 12,376,475	$ 3.29
1988	14,407,504	3.84
1987	13,667,619	3.65
1986	12,373,657	3.45
1985	12,564,012	3.50

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 33,174,746	$ 34,815,767
Cost of sales	30,003,398	29,970,939
Expenses	3,800,088	3,472,580
Other income	(157,146)	(651,686)
Inc. (loss) bef. taxes	$ (471,594)	$ 2,023,934
Income taxes (credit)	(85,025)	506,880
Inc. (loss)-cont. oper.	$ (386,569)	$ 1,517,054
Loss-discont. oper.	(1,719,674)	(639,171)
Net Income (Loss)	$ (2,106,243)	$ 877,883

* Included in Costs and Expenses, Depreciation and Amortization: $646,552 in 1989 and $437,585 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 486,932	$ 84,712
Short-term invest.	313,578	1,013,891
Accts. receiv., net	5,095,478	5,291,539
Refund. inc. taxes	406,187	—
*Inventories	7,672,780	11,115,130
Prepaid expenses	269,890	336,921
Current Assets	$ 14,244,845	$ 17,842,193
Long-term bond	25,000	25,000
Investment in prod. rights	—	118,293
#Fixed assets	1,898,743	2,109,950
Total Assets	$ 16,168,588	$ 20,095,436

Liabilities

Accts. payable	$	2,279,268	$	4,281,022
Accruals		1,512,845		955,522
Income taxes payable		—		220,860
Curr. Liabilities	$	3,792,113	$	5,457,404
Deferred inc. taxes		—		230,528
+Common stock		3,764,945		3,748,695
Add. paid-in capital		594,488		533,082
Retained earnings		8,087,257		10,193,500
Unearned comp.		(70,215)		(67,773)
Total Liabilities & Shareholders' Equity	$	16,168,588	$	20,095,436

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity		—		7.70
Sales to Inventories		4.32		3.13
Working Capital	$	10,452,732	$	12,384,789
Current Ratio		3.76		3.27
Shareholders' Equity	$	12,376,475	$	14,407,504

Western Digital Corporation

2445 McCabe Way
Irvine, California 92714
(714) 863-0102
FAX: (714) 863-1656

Officers: Robert W. Johnson, chairman of the board, president & chief executive officer; A.J. Moyer, sr. v.p.-finance & chief financial officer; Dirk Eastman, sr. v.p.-worldwide sales; Chester A. Brown, Jr., v.p. & gen. mgr.-Imaging Business Unit; Robert L. Erickson, v.p.-law & administration & secretary; Robert J. Blair, v.p.-corporate & investor relations; Kathryn A. Braun, sr. v.p. & gen. mgr.-Storage & Systems Components Business Unit; C. William Frank, v.p. & gen. mgr.-Strategic Products Business Unit; John R. MacKay, sr. v.p.-manufacturing operations; John J. Petersen, v.p.-quality & technology; Joseph F. Pleso, v.p. & managing dir.-international sales; Robert N. Stephens, v.p. & gen. mgr.-Communications & Subsystems Products Business Unit; H. Richard Byrne, v.p.-controller & chief accounting officer; John M. Markovich, v.p. & treasurer; Stephen R. Strain, v.p.-human resources.

Directors: Roger W. Johnson, chairman of the board; Donn B. Tatum, William C. May, Ryal R. Poppa, I.M. Booth, Andre R. Horn, Irwin Federman, John S. Mayo, Anne O. Krueger.

Areas of Work: Designs and manufactures very-large-scale integrated circuits, board-level and subsystem products that are critical to the operation of microcomputers and other microprocessor-controlled systems. Principal products include Winchester disk drives, Winchester hard disk controllers, and video controllers for use in personal computers, storage management, video, integrated systems and communications.

Subsidiaries:

Western Digital (Malaysia) SDN BHD
Kuala Lumpur, Malaysia
Assembles semiconductor devices.

Western Digital Ireland Ltd.
Dublin Hill, Cork, Ireland
Manufactures board products.

Western Digital Caribe, Inc.
Ponce/Mercedit, Puerto Rico
Manufactures board products.

Adaptive Data Systems, Inc.
Irvine, California
Manufactures a series of products in the high-performance small computer interface market.

Paradise Systems, Incorporated
Mountain View, California
Designs and markets video controller boards and related integrated circuit devices.

Faraday Electronics, Inc.
Sunnyvale, California
Manufactures highly integrated chip sets that support the core logic functions of the microcomputer.

Verticom Inc.
Sunnyvale, California
Manufactures high-performance graphics display controllers and subsystems.

Transfer Agent(s):

First Interstate Bank of California
707 Wilshire Boulevard
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: WDC

Number of Employees:

1989	6,394	1986	2,468
1988	6,582	1985	2,614
1987	3,338		

Plant Footage:

1989	1,510,000 sq. ft.	1986	621,000
1988	1,010,800	1985	554,800
1987	524,000		

Sales & Earnings

		Revenues +		Net Income †
1989	$	992,065,000	$	34,324,000
1988		768,320,000		43,429,000
1987		481,368,000		45,822,000
1986		300,300,000		23,157,000
1985		189,162,000		(4,170,000)

	No. of Com. Shares		Earn. per Share † ‡
1989	29,103,085	$	1.18
1988	27,531,629		1.53
1987	27,173,556		1.79
1986	23,310,129		1.03
1985	21,390,054		—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $460,000 ($0.02 per share) in 1988, $5,402,000 ($0.21 per share) in 1987, $1,612,000 ($0.07 per share) in 1986 and $200,000 ($0.01 per share) in 1985.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	302,068,000	$	10.38
1988		254,974,000		9.26
1987		206,764,000		7.61
1986		107,028,000		4.59
1985		72,920,000		3.41

Income Account *

Year ended June 30		1989		1988
Revenues	$	992,065	$	768,320
Cost of revenues		711,727		541,055
Expenses		221,644		170,269
Interest expense		13,243		1,920
Income before taxes	$	45,451	$	55,076
Income taxes		11,127		12,107
Net Income	$	34,324	$	42,969
Extraord. gain		—		460
Net Income & extraord. gain	$	34,324	$	43,429

* Included in Costs and Expenses, Depreciation and Amortization: $45,159,000 in 1989 and $28,643,000 in 1988.

Assets
(000's)

As of June 30		1989		1988
Cash & cash equiv.	$	40,474	$	28,531
Accts. receiv., net		137,095		195,866
*Inventories		197,050		152,292
Prepaid expenses		9,296		5,359
Current Assets	$	383,915	$	382,048
#Fixed assets		155,577		121,329
Other assets		49,431		47,329
Total Assets	$	588,923	$	550,706

Liabilities
(000's)

Short-term borrowings & long-term debt, curr.	$	3,760	$	2,482
Oblig. under cap. leases, curr.		12,39[illegible]		9,191
Accounts payable		70,723		121,175
Accruals		30,998		39,288
Income taxes		4,248		6,109
Current Liabilities	$	122,122	$	178,245
Convert. subord. deben.		69,000		—
Long-term debt		56,466		92,320
Cap. lease oblig.		28,502		18,207
Deferred inc. taxes		10,765		6,960
+Common stock		2,910		2,753
Add. paid-in capital		164,046		145,574
Ret. earnings		135,112		106,722
Notes receiv. from shareholders		—		(75)
Total Liabilities & Shareholders' Equity	$	588,923	$	550,706

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. taxes to Revenues		4.58		7.17
%Net Income to Revenues		3.46		5.59
%Net Income to Equity		11.36		16.85
Debt to Equity		0.33		0.48
Working Capital	$	261,793,000	$	203,803,000
Current Ratio		3.14		2.14
Shareholders' Equity	$	302,068,000	$	254,974,000

Western Microwave Laboratories, Inc.

1271 Reamwood Avenue
Sunnyvale, California 94089-9047
(408) 734-1631
FAX: (408) 734-4326

Officers: Fred R. Oliveri, president; Bernard J. Rosati, treasurer & controller; Ferenc A. Marki, exec. v.p. & chief operating officer; Robert A. Latta, secretary.

Directors: H. E. Rumsey, J. K. Leidecker, W. H. Kuntz, Ibrahim Hefni, Ronald O. Huch, Julian S. Lake.

Areas of Work: Develops and manufactures microwave ferrite components (isolators and circulators) and microwave integrated components (RF front end assemblies, mixers, isolator couplers and image reject mixers) for commercial and military applications.

Divisions:

Microwave Signal Processing Division
Passive Microwave Technology Division

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WMIC (NASDAQ)

Sales & Earnings

	Net Sales #	Net Income ‡
1989	$ 9,710,510	$ (884,386)
1988	11,039,249	(764,156)
1987	12,910,761	(214,893)
1986	14,393,057	338,215
1985	13,848,864	808,138

	No. of Com. Shares	Earn. per Share ‡
1989	1,405,233	$ —
1988	1,528,086	—
1987	1,530,947	—
1986	1,526,239	0.21
1985	1,477,145	0.53

(Loss)
Of continuing operations only.
‡ Including extraordinary gains of $18,600 ($0.01 per share) in 1985.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,847,605	$ 2.74
1988	4,922,603	3.22
1987	5,710,688	3.73
1986	5,943,295	3.89
1985	5,478,070	3.71

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 9,710,510	$ 11,039,249
Cost of sales	8,080,938	8,736,605
Sell., gen. & adm. exp.	2,387,319	2,716,456
Prod. develop. exp.	172,749	350,074
Interest expense	67,347	172,497
Interest income	(98,511)	(101,913)
Other income	(15,246)	(70,614)
Loss bef. taxes	$ (884,086)	$ (763,856)
Tax credit	(300)	(300)
Net Loss	$ (884,386)	$ (764,156)

* Included in Costs and Expenses, Depreciation and Amortization: $449,286 in 1989 and $594,161 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 999,036	$ 1,219,984
Accts. receiv., net	1,688,126	2,423,029
Income tax receivable	—	207,000
*Inventories	1,843,554	2,425,427
Prepaid expenses	100,248	56,041
Current Assets	$ 4,630,964	$ 6,331,481
#Fixed assets	407,259	770,936
Other assets	7,443	23,994
Total Assets	$ 5,045,666	$ 7,126,411

Liabilities

Notes payable	$ —	$ 1,058,960
Accts. payable	660,641	621,551
Accruals	537,420	523,297
Curr. Liabilities	$ 1,198,061	$ 2,203,808
+ Common stock	140,523	152,808
Add. paid-in capital	4,057,223	4,308,550
Ret. earnings (deficit)	(350,141)	534,245
Receiv. from stockholder	—	(73,000)
Total Liabilities & Shareholders' Equity	$ 5,045,666	$ 7,126,411

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	5.27	4.55
Debt to Equity	—	0.22
Working Capital	$ 3,432,903	$ 4,127,673
Current Ratio	3.87	2.87
Shareholders' Equity	$ 3,847,605	$ 4,922,603

Westinghouse Electric Corporation

Westinghouse Building
Gateway Center
Pittsburgh, Pennsylvania 15222
(412) 244-2000
FAX: (412) 642-3404

Officers: John C. Marous, chairman & chief executive officer; Paul E. Lego, president & chief operating officer; Gary M. Clark, executive v.p.-industries; George C. Dorman, executive v.p.-human resources & total quality; Richard A. Linder, executive v.p.-electronic systems; William A. Powe, executive v.p.-chairman-Westinghouse Financial Services; Harry F. Murray, executive v.p.-finance; Robert F. Pugliese, executive v.p.-legal & corporate affairs; Maurice C. Sardi, executive v.p.-commercial; Burton B. Staniar, executive v.p.-chairman-Westinghouse Broadcasting; Theodore Stern, executive v.p.-energy & utility systems; John B. Yasinsky, executive v.p.-world resources & technology; Frank R. Bakos, v.p.-power generation; Isaac R. Barpal, v.p.-science & technology; Joseph L. Becherer, v.p.-distribution & control; Charles E. Bell, Jr., v.p.-central region; Edward G. Bittner, v.p.-materials divisions; Barton S. Brodkin, president-Westinghouse Beverage Group; Thomas P. Costello, president-Thermo King Corporation; John H. Courcoulas, v.p.-Europe, Africa & Middle East; Robert E. Faust, v.p.-controller; John H. Fooks, v.p.-corporate productivity & quality; H. Joe Frazier, president-Westinghouse Communities, Inc.; August W. Frisch, v.p.-general tax counsel; Warren H. Hollinshead, treasurer; William M. Jacobi, v.p.-government operations; Carl R. Johnson, v.p.-Southeastern region; Margaret M. Kennedy, administrative asst. to the chairman; David L. Litten, v.p.-Midwestern region; R. Noel Longuemare, v.p.-systems develpment & technology; Anthony A. Massaro, Jr., v.p.-industries & environmental services; Eileen P. Massaro, v.p.-corporate relations; Alan J. Meilinger, v.p.-purchases, traffic & real estate; James S. Moore, president-Westinghouse Savannah River Company; Bruce W. Morrison, v.p.-Atlantic region; Hercules Paxinos, v.p.-New York Metropolitan region; John A. Petraca, v.p.-asst. controller; Samuel R. Pitts, v.p.-environmental affairs; Edward B. Priestner, president-Westinghouse Canada, Inc.; Edward N. Silcott, v.p.-commercial systems; Richard J. Slember, v.p.-energy systems; William T. Taylor, president-Westinghouse Electric Supply Company; Nathaniel D. Woodson, president -international; A. Richard Whittemore, v.p.-Western region; F. Leo Wright, v.p.-governmental affairs; J. Stanley Wyble, v.p.-Southwestern region.

Directors: John C. Marous, chairman; Donald F. Hornig, Richard R. Pivirotto, David T. McLaughlin, Hays T. Watkins, Barbara H. Franklin, Robert W. Campbell, Rene C. McPherson, John B. Carter, Richard M. Morrow, Frank C. Carlucci, Paul E. Lego.

Areas of Work: A diversified, global, technology based corporation operating in the business areas of television and radio broadcasting, defense electronics, financial services, and the industrial, construction and electric utility markets.

Westinghouse develops, designs and furnishes nuclear power plants, equipment and fuel for the generation of electricity.

Some Westinghouse products, such as motors and control devices, are used by other manufacturers as components for their products. The Corporation manufactures electronic products for the United States Government and its allies. These products include surveillance and fire control radars, command and control systems, electronic countermeasures equipment, electro-optical and spaceborne sensors, missile launching and handling equipment, torpedoes, sonar and communications equipment.

Westinghouse supplies products to the construction industry and engages in conventional construction activities. It also is engaged in land development and sales.

Westinghouse Broadcasting Company owns and operates 14 radio stations, five television stations and a production company that produces syndicated television programs.

Westinghouse Learning Corporation offers various educational services and materials to schools; sells language instruction courses.

In commercial activities, Westinghouse subsidiaries bottle and distribute various soft drink brands; manufacture, assemble and sell wrist watches and other timepieces under the Longines-Wittnauer, LeCoultre and Jubilee trade names.

Westinghouse Credit Corporation engages in the extension of credit in transactions secured by real or personal property and in leasing transactions including leverage leasing.

Westinghouse is engaged in the distribution outside the United States of electrical and other products, primarily those manufactured by Westinghouse. Such distribution is accomplished through a wholly owned subsidiary and through company representatives and independent distributors. The corporation also has a number of subsidiaries outside the United States, the majority of which are engaged in the manufacture and sale of electrical generation, transmission, utilization and control equipment, and consumer products.

Electronics & Related Divisions & Subsidiaries:

Advanced Reactors Division
Waltz Mill, Pennsylvania

Development of advanced designs and concepts of commercial atomic power, including breeder reactors. Comprehensive services in chemical analyses and postirradiation analyses and examination of nuclear fuel and reactor components.

Aerospace and Electronic Systems/Systems Development Division
Baltimore, Maryland

Producer of airborne and surface-based radars, communications, command and control, and related electronic systems. Aerospace activities include development and production of sophisticated avionics systems. These include advanced airborne ECM systems, weapon delivery systems, electro-optical systems for reconnaissance and remote sensing, and airborne surveillance radar for airborne early warning and control. Surface-based activities include tactical and shipboard radars, range instrumentation systems, strategic defense systems, and air traffic control systems. Military command and control systems, tactical and strategic communications, displays and computer systems.

Aerospace Electrical Division
Lima, Ohio

Electric power systems, generators, motors, control apparatus, power conditioning and conversion equipment, and support equipment for military and commercial aircraft, missiles, spacecraft, undersea and ground vehicles.

Astronuclear Laboratory
Large, Pennsylvania

Nuclear, power-reactor and isotope for space, terrestrial, underseas, and other advanced applications; high temperature materials development, and testing and application, thermo-electric environmental control systems, Silicon Carbide devices, non-destructive test equipment, high temperature thermocouples.

Westinghouse Electric Corporation

Bryant Division
Bridgeport, Connecticut
Wiring devices; switches, receptables, wall plates, plugs, connectors, lampholders and starters; outdoor fixtures for reflector backed lamps and photo electric controls; circuit breakers and load centers; ground fault protectors and multimetering; electric heating; baseboard, ceiling cable, unit heaters, duct heaters, strip heaters, wall heaters.

Computer and Instrumentation and Industry Systems Divisions
Pittsburgh, Pennsylvania
Complete digital, analog and combined process control systems and related services for application in the following areas: Automotive, Adaptive Control; Batch Blending; By-Products; Chemical; Cement; Communications; Data Acquisition, Collection and Processing; Dispatching and Distribution; Display; Electronic Component Testing; Environmental Measurements; Fluid Flow, Pressure, Temperature and Level; Gas Distribution; Glass; Heating and Air Conditioning; Machine Tool-Direct Numerical; Marine; Metallurgical; Mining and Ore Processing; Oxygen Monitoring and Control; Petro-Chemical; pH and Conductivity; Plastics, Pollution; Power Generation, Transmission and Distribution; Process Industries; Pulp and Paper; Refineries; Rubber, Security; Scientific; Security and Environmental; Steel; Supervisory; Systems Field Engineering; Customer Training; Traffic; Warehousing and Inventory; Water and Waste Treastment.

Control Products Division
Beaver, Pennsylvania
Control for motors; starters, contactors, relays, pushbuttons; safety switches and enclosed breakers. Numalogic Solid State Control.

Distribution Apparatus Division
Bloomington, Indiana
Capacitors; lighting arresters; fuse cutouts; surge protection devices; reclosers; vacuum circuit breakers; air loadbreak switches; oil switches; T-Tap switches, linetraps; potential devices.

Electric Distribution Laboratory
Coral Springs, Florida
Constant testing and evaluation conducted under actual living environmental conditions with variables introduced by the resident population, weather, etc., encompasses 70 homes and apartments in a new city subdivision permitting use of the latest technology in electric power distribution without traditional hindrance from normal constraints such as codes and legal requirements.

Electromechanical Division
Cheswick, Pennsylvania
Main cooolant pumps, valves, control rod drive mechanisms, and other specialized apparatus for nuclear reactors; pumps for controlled circulation boilers.

Electronic Systems Support Division
Cockeysville, Maryland
Nuclear Instrumentation and Control Systems-military and commercial; Integrated Logistics Support Systems-technical training operations, supply support, maintenance planning, field integration and services, support equipment, technical data, facility planning; Electronic Protection Systems-for government and industry.

Westinghouse Elevator Company
Millburn, New Jersey
Manufacturing, sales, service, modernization and maintenace of elevators, escalators and walkways.

General Control Division
Buffalo, New York
Motor starters and controllers; special purpose control; control components; pilot devices; transfer switches.

Chicago, Illinois
Control centers and Type W Jr. group control.

Industry Equipment Division
Sykesville, Maryland
Electric arc welders; electronic beam welders; electrodes, accessories; brazing alloys; laser systems; power sources, induction heating equipment, ultrasonic devices for cleaning and processing equipment.

Industrial Systems Division
Buffalo, New York
Design and project management of large electrical drive systems and products for the industrial process and manufacturing systems and all the general industries. Component groupings include adjustable speed drives, crane drives, inverters, rectifiers, programmable controliers, numerical control and automatic material handling systems.

Industry Services Division
Pittsburgh, Pennsylvania

Apparatus Service Divisions
Pittsburgh, Pennsylvania
Sixty apparatus service plants and 75 engineering services locations strategically located domestically to service all industries around the clock. Modern facilities and engineering skills are available to maintain, repair and modernize mechanical and electrical equipment regardless of original manufacture. Also manufacturing and repair and engineering services are available at various locations throughout the world.

Westinghouse Instrument Service Co.
Atlanta, Georgia
Instrumentation and control capabilities include installation, calibration, commissioning, start-up, maintenance, instrumentation repair facilities.

Westinghouse Non-Current Renewal Parts & Special Products Plant
Pittsburgh, Pennsylvania
Manufacturer of specialty products including non-current apparatus and parts. Product lines include: A.C. and D.C. motors and gearmotors, transportation motors, industrial control, pushbuttons, knife switches, circuit breakers, pantagraphis, bolt heaters and carbon brushes.

Marine Division
Sunnyvale, California
Marine propulsion steam turbines and reduction gears; ship's service turbine generator sets; Nuclear components manufacture, electrical, mechanical and shock mitigation components for missile and rocket programs, missile launching and handling equipment, sub-sea oilwell equipment.

Meter Division
Raleigh, North Carolina
Watthour, demand, recording meters, sockets and accessories. Pulse equipment for electric utility automated system analysis, planning, billing and environmental monitoring, and range timers.

Power Systems Planning
Advanced Systems Technology
Pittsburgh, Pennsylvania
Provides a large library of digital power system planning and analysis programs available through mail order consulting or via remote terminals. Operates Anacom analogue computer for transient analysis, mobile laboratories for field transient measurements, oscillography lab for field use, electromagnetic compatibility measurements. Contracts research and development services, from feasibility studies to project management and construction, for prototype systems in generation, transmission and distribution.

Relay-Instrument Division
Newark, New Jersey
Electrical measuring instruments of all types; protective relays and relaying systems; relay instrument switchboards; control and data systems.

Research Laboratories
Pittsburgh, Pennsylvania
Basic and applied research in chemistry, physics, mathematics, energy systems, solid state sciences, solid state devices, materials, materials processing, instrumentation, systems, communication, control electronics, power electronics, oceanography, and georesearch. Work done primarily in support of Westinghouse operating divisions, but also conducts contract research for the U.S. Government.

Semiconductor Division
Youngwood, Pennsylvania
Silicon rectifier diodes, silicon controlled rectifiers, silicon power transistors, silicon rectifier and controlled rectifier assemblies.

Specialty Transformer Division
Greenville, Pennsylvania
Specialty transformers, saturable core inductors, Navy dry type transformers; constant voltage and filtering transformers; load centers 30 kva and below.

Switchgear Division
East Pittsburgh, Pennsylvania
Assembled switchgear; high voltage fuses, network protectors; generator voltage regulators and automatic synchronizers; disconnect switches, substation structures, switchgear components, medium and low voltage air circuit breakers; control switches (type W); switchgear accessories; draw-out load interrupter switchgear.

Transformer Divisions:

Large Power Transformer Division
Muncie, Indiana
Power transformers above 30,000 kva: liquid immersed shunt reactors above 10,000 kva, regulating and furnace transformers above 30,000 kva.

Medium Power Transformer Division
Sharon, Pennsylvania
Power transformers 10,001 to 60,000 kva; substation transformers 5,001 to 10,000 kva; grounding and rectifier transformers; dry type distribution transformers; dry type power center transformers 112-1/2 to 2500 kva; regulating and furnace transformers 30,000 kva and below; current and potential transformers; metering units.

Small Power Transformer Division
South Boston, Virginia
Liquid immersed (oil or Inerteen) auto transformers, network transformers; pad-mounted transformers; substation transformers and underground transformers 501 to 5,000 kva, and power center (secondary unit substations) 112-1/2 to 2500 kva.

Overhead Distribution Transformer Division
Athens, Georgia
Overhead liquid immersed distribution transformers.

Underground Distribution Transformer Division
Jefferson City, Missouri
Underground distribution transformers and equipment.

Oceanic Division
Annapolis, Maryland
Surveillance; sonar detection; data handling and display; instrumentation; oceanographic systems and equipment; flow meters; life support equipment; underwater systems, equipment and associated support items; torpedoes; advanced weapons; mine, weapon and CW countermeasures.

Westinghouse Tele-Computer Systems Corporation
Pittsburgh, Pennsylvania
A wide range of user-oriented problem-solving services involving both manual and computer-based information sytems. Computing services, consulting services, data processing services, software services, tele-communications services; warehouse information systems.

Compagnie des Dispositifs Semiconducteurs
Westinghouse S.A.
B.P. 107
Avenue George-Durand
72 Le Mans, France
Assemblies, silicon rectifier and controlled rectifier; battery chargers, battery charging control; bridges, silicon rectifier and controlled rectifier, power supplies, and battery chargers, rectifier assemblies; rectifier diodes, silicon; semiconductors; silicon controlled rectifiers; silicon rectifiers.

Fusibles Westinghouse de Puerto Rico, Inc.
Luquillo, Puerto Rico
Power fuses.

Induselet, S.A.
Osasco, S.P., Brazil
Circuit breakers; enclosed circuit breakers; power centers; reactors; substations, CSP, transformers, distribution; transformers, power.

Marimi and Aminelli S.A.
Sao Paulo, Brazil
Disconnect switches; automated circuit breakers; push buttons; minimum oil circuit breakers; power fuses; bus duct; outdoor disconnect switches; switchboard and cubicles.

Semiconductors Westinghouse, Inc.
Gurabo, Puerto Rico
Medium and high power thyristors, rectifiers and bridge assemblies.

Servicios Industriales Westinghouse
Una Division de Venwesa
Apartado 542
Zona Industrial
Maracaibo, Venezuela

Room air conditioners; circuit breakers; control centers; group control; motor controls; power, regulating, synchronizing systems; freezers; fuses, power; motors; network protectors; network protector relays; panelboards; power centers; power centers for construction applications; refrigerators, domestic; regulators; relators, feeder voltage; repair service; static exciters; substation structures; substations; switchboards; switches; switchgear, accessories switchgear, assembled; synchronizers, generator; transformers, distribution; power transformers; turbine supervisory instrumentation.

Standard-Waygood, Ltd.
P.O. Box 13 Miowera Road
Willawood, N.S.W., 2163, Australia

Electrical adjustable speed drives, hi-torque assemblies, silicon rectifier and controlled rectifier, bus duct; circuit breakers; control centers, control, crane and defense; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control, numerical; control systems, electrical; drives, adjustable speed, electrical; induction heating equipment; installation supervision, electrical apparatus; instructional services; inverters; staticlarge dc motors; network protectors; network protector relays; numerical control; panelboards; power centers; power supplies, dc and battery chargers; reactors; rectifier assemblies; rectifier equipment, power, regulated systems; regulators, feeder voltage; service, electric (field engineering); substation, CSP; switchboards; switchgear; systems, industrial; transformers; self-contained power, unit substations.

Transformadores Westinghouse, Inc.
P.O. Box 127
Road 30, K.M.6.0.Barrio Rincon
Gurabo 00658, Puerto Rico

Transformers for general purpose applications.

Tubos Electronicos Westinghouse, Inc.
P.O. Box 127
Road 30, M.6.0.Barrio Rincon
Gurabo 00658, Puerto Rico

Electronic tubes.

Tyree Industries, Ltd.
P.O. Box 315
Liverpool, N.S.W. 2170, Australia

Capacitors; line traps, carrier; potential devicers, capacitors; reactors; power transformers; distribution transformers; instrument transformers.

Westinghouse Breakers, Inc.
Puerto Rico

Manufacture and assembly of circuit breakers.

Westinghouse Canada Limited
286 Sanford Avenue North
P.O. Box 510
Hamilton, Ontario, Canada

Adjustable speed drives-electrical; adjustable speed drives-mechanical, air cleaning units; air conditioners; central air conditioning; air handling lighting fixtures; air handling units; airport lighting regulators (solid state); lighting arresters; audio tone relaying systems; automatic dispatching control; automatic transfer switches; ballasts, lighting; bases, lightbulb and electron tube; battery charging control; blowers; bus duct; bus, high voltage; capacitors; carrier relaying systems; circuit breakers; circuit breakers, molded case, loadcenter; circuit breakers, vacuum; commercial lighting; computerized metering systems; computer, digital; conductors, cooper and aluminum; contactors, ac and dc; control centers; control components; control components, ac; control components, ac and dc; control, crane and defense; control devices; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control numerical; control, special purpose; control, standard; control systems, electrical; control systems, chemical properties; control systems, electrical; control systems, chemical properties; control systems, combustion, flow and level, pressure and differential pressure, temperature-temperature difference; controls for motors; controls, supervisory and telemetering; cores for transformers; cutouts, fuse; dehumidifiers, residential; direct current HV transmission equipment systems; dishwashers; displays, CRT alphanumeric and graphical (WAND) drives drum controllers; dry cleaners, commercial dryers electric and gas; duct heaters, gas and electric; Dumet (copperclad); electric stairways; electric space heaters, baseboard heaters; electric walks; electric tubes; electrostatic air filters; Precipitron, elevators, electric geared and gearless, hydraulic; enclosed circuit breakers; energy storage equipment; environmental data systems; fans; filaments, tungsten, fluorescent lamps; food waste disposers; freezers, fuses and fuse links; fuses power; gas turbines, land; gear units; gearmotors; gears, railway; ground fault protectors; heaters, electric; heaters, portable; housewares, electric; blankets, blenders, can openers, coffee makers, knives, food mixers, fry pans, hair stylers, irons, kettles, toasters, automatic; hydraulic products; industrial lighting; infra-red heaters, electric; installation supervision, electrical apparatus; instructional services; instrument auxilliary equipment; instruments, analog; integrated circuits; interlocks; inverters, static; lamps; Laundromat automatic washers; lead-in wires, lamp and electronic tube; lighting, outdoor fluorescent, incandescent, mercury vapor, quartz, sodium; lighting fixtures; lighting, interior lighting, specialty interior; lights, indicating control; line tracing electronic systems (Linatrol); line traps, carrier, liquid dielectrics, oil and Interteen; load centers, circuit breaker; mercury lighting; metals; Hi-purity single crystal; meter accessories; watthour, meters, demand; meters, mine-hoists friction treads. Westoflex; mine-hoists (Select-A-Level); molybdenum-wire, rod, powder; motor starters and controllers; motors, ac integral hp, thru frame 449T; multimetering; network protectors; network protector relays; numerical control; panel instruments; panelboards; phonographs; photo-electric controls, pilot devices; pilot wire relaying systems; portable instruments; potential devices,

Westinghouse de Venezeula, S.A.
Div. Pantallas de Television
Apartado 1889
Caracas, Venezuela

H. Maihak AG
West Germany

Acquisitions:

Shaw-Walker Company
An office furniture company.

Reff, Inc.
Toronto, Ontario, Canada
An office furnitiure company.

Transfer Agent(s):

Mellon Bank, N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): New York, Boston, Philadelphia, Midwest, Pacific

Ticker Symbol: WX

Number of Employees:

1989	121,963	1986	117,267
1988	119,640	1985	124,935
1987	112,478		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 12,844,000	$ 922,000
1988	12,500,000	823,000
1987	11,332,000	901,000
1986	11,370,000	173,000
1985	11,269,000	598,000

	No. of Com. Share ‡	Earn. per Share ‡
1989	146,232,265	$ 6.31
1988	145,544,075	5.66
1987	145,[illegible]30,270	6.23
1986	152,331,187	1.15
1985	172,488,375	3.48

+ Of continuing operations only; includes operating revenues.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Broadcasting	$ 646,000	$ 633,000
Commercial	2,419,000	2,261,000
Electronic systems	2,783,000	2,718,000
Energy & utility systems	2,139,000	1,951,000
Financial services	1,192,000	897,000
Industries	3,148,000	3,069,000
Divested & other	1,274,000	1,740,000
Intersegment	(757,000)	(769,000)
Total	$ 12,844,000	$ 12,500,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.30	—	—
1988	1.93	—	
1987	1.64	—	—
1986	1.35	—	—
1985	1.15	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ 4,384,000	$ 29.98
1988	3,795,000	26.07
1987	3,222,000	22.19
1986	2,498,000	16.40
1985	3,221,000	18.67

Based on the average number of shares outstanding.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Product sales	$ 8,691,000	$ 8,453,000
Service sales	2,961,000	3,150,000
WFSI (fin. serv.) revenue	1,192,000	897,000
Total sales & revenues	$ 12,844,000	$ 12,500,000
Cost of sales & rev.	9,289,000	9,102,000
Expenses	1,810,000	1,829,000
Depreciation & amortization	367,000	348,000
Gains from divestitures	(399,000)	—
Provision for bus. restructuring	384,000	80,000
Interest expense	235,000	220,000
Other income	(117,000)	(145,000)
Income before taxes	$ 1,275,000	$ 1,066,000
Income taxes	340,000	243,000
Minority interest	13,000	—
Net Income	$ 922,000	$ 823,000

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 174,000	$ 166,000
Marketable securities	1,050,000	939,000
Accts. receiv., net	2,064,000	2,277,000
*Inventories	1,354,000	1,300,000
Uncompleted contract costs	302,000	336,000
Prepaid & other current assets	778,000	606,000
Current Assets	$ 5,722,000	$ 5,624,000
Investments	217,000	213,000
#Fixed assets	2,381,000	2,495,000
Intangibles & other assets	2,147,000	1,071,000
WFSI (fin. serv.) assets	9,853,000	7,534,000
Total Assets	$ 20,314,000	$ 16 937,000

Liabilities
(000's)

Short-term debt	$ 1,862,000	$ 1,953,000
Accts. payable	804,000	738,000
Uncompleted contract billings	1,111,000	1,107,000
Other current liabilities	1,808,000	1,450,000
Curr. Liabilities	$ 5,585,000	$ 5,248,000
Long-term debt	744,000	892,000
Other liabilities	1,018,000	521,000
WFSI (fin. serv.) liab.	8,412,000	6,460,000
Minority interest	171,000	21,000
+Common stock	184,000	183,000
Add. paid-in capital	795,000	764,000
Retained earnings	5,225,000	4,637,000
Treasury stock	(1,798,000)	(1,780,000)
Other	(22,000)	(9,000)
Total Liabilities & Shareholders' Equity	$ 20,314,000	$ 16,937,000

* At LIFO or current standard cost, which approximates actual or average cost.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.93	8.53
%Net Income to Sales	7.18	6.58
%Net Income to Equity	21.03	21.69
Debt to Equity	0.59	0.75
Working Capital	$ 137,000,000	$ 376,000,000
Current Ratio	1.02	1.07
Shareholders' Equity	$ 4,384,000,000	$ 3,795,000,000

Whirlpool Corporation

Benton Harbor, Michigan 49022-2692
(616) 926-5000
FAX: (616) 926-3568

Officers: David R. Whitwam, chairman of the board, president & chief executive officer; Samuel M. Bateman, exec. v.p.-international operations; Charles D. Putnam, exec. v.p.-administration; H.W. Bowman, v.p. & president-Kenmore Appliance Group; James R. Samartini, exec. v.p. & chief financial officer; Jan Prising, exec. v.p. & pres.-Whirlpool International B.V.; Lloyd A. Wampach, v.p., pres. & chief executive officer-Inglis Limited; William D. Marohn, exec. v.p.-North American Appliance Group; Lawrence J. Kremer, sr. v.p.-Global Technology & Operations; E.R. Dunn, v.p.-human resources; Robert I. Frey, v.p. & pres.-Whirlpool do Brasil; Stephen F. Holmes, v.p. & pres.-Whirlpool Appliance Group; Kenneth W. Kaminski, v.p. & pres.-KitchenAid Appliance Group; Ralph F. Hake, v.p. & controller; James E. LeBlanc, pres. & chief exec. officer-Whirlpool Financial Corporation; Bradley J. Bell, treasurer; Art Clark, asst. treasurer; James K. Doan, v.p.; Daniel F. Hopp, v.p., general counsel & secretary; Allan D. Vingelen, asst. controller; Russell B. Collingwood, asst. controller.

Directors: David R. Whitwam, chairman; Victor A. Bonomo, Douglas D. Danforth, Bert E. Phillips, Robert A. Burnett, Philip L. Smith, Jack D. Sparks, Jack B. St. Clair, Kenneth J. Whalen, Charles D. Putnam, James R. Samartini, Janice D. Stoney, Gerrit Jeelof.

Areas of Work: Manufactures home and commercial appliances, including microwave ovens, washers, dryers, refrigerators, ice makers, coolers, vacuum cleaners, ovens, dishwashers, dehumidifiers, freezers, air conditioners and trash compactors. The company markets products in more than 45 countries under such brand names as Whirlpool, KitchenAid, Roper, Philips, Bauknecht, Ignis, Laden & Inglis.

Subsidiaries:

Whirlpool Financial Corporation
Benton Harbor, Michigan
A wholly owned finance subsidiary.

Whirlpool Trading Company, Incorporated
Benton Harbor, Michigan

Inglis Limited
Toronto, Canada
Manufactures major home appliances.

Whirlpool International B.V. (53%-owned)
Comerio, Italy
Manufactures major appliances.

KitchenAid, Inc.
St. Joseph, Michigan
Manufactures major and portable appliances for the high-end user.

Aspera S.r.l. (65%-owned)
Torino, Italy
Manufactures compressors for refrigeration products.

Foreign Affiliates:

Brasmotor, S.A. (20% interest)
Sao Paulo, Brazil

Brastemp, S.A.
Sao Paulo, Brazil

Consul S.A.
Joinville, Brazil

Embraco, S.A.
Joinville, Brazil

Vitromatic, S.A. de C.V. (49% interest)
Monterrey, Mexico

TVS Whirlpool Ltd. (33% interest)
Madras, India

Transfer Agent(s):

Harris Trust and Savings Bank
Stock Transfer Division
111 West Monroe Street
Chicago, Illinois 60690

Harris Trust and Savings Bank
c/o Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York, Midwest, London

Ticker Symbol: WHR

Number of Employees:

1989	39,411	1986	30,956
1988	29,110	1985	25,524
1987	30,412		

Plant Footage:

1989	18,589,600 sq. ft.	1986	11,893,400
1988	N.A.	1985	N.A.
1987	11,321,500		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 6,152,400,000	$ 187,200,000
1988	4,314,500,000	94,100,000
1987	4,114,800,000	191,900,000
1986	3,937,600,000	199,700,000
1985	3,474,500,000	182,319,000

	No. of Com. Shares †	Earn. per Share #
1989	69,382,000	$ 2.70
1988	69,289,000	1.36
1987	69,232,000	2.68
1986	74,128,000	2.70
1985	73,325,000	2.49

+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Home laundry appliances	$ 2,112,900,000	$ 1,485,200,000
Home refrigeration & room air conditioning	2,071,300,000	$ 1,500,600,000
Other household appliances	1,968,200,000	1,328,700,000
Total	$ 6,152,400,000	$ 4,314,500,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.10	—	—
1988	1.10	—	
1987	1.10	—	—
1986	1.03	—	2-for-1
1985	1.00	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,421,400,000	$ 20.49
1988	1,320,900,000	19.06
1987	1,303,800,000	18.83
1986	1,349,800,000	18.21
1985	1,206,620,000	16.46

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 6,152,400	$ 4,314,500
Financial serv.	136,200	106,900
Total income	$ 6,288,600	$ 4,421,400
Cost of sales	4,819,500	3,505,700
Int. exp.-fin. services	64,600	47,400
Expenses	995,000	606,700
Facilities consol.	9,200	—
Other income	(30,300)	(24,700)
Interest expense	122,100	53,400
Income before taxes	$ 308,500	$ 232,900
Income taxes	135,800	90,900
Eq. in earn. of affil. cos.	(41,900)	(19,500)
Minority interests	27,400	200
Inc.-cont. oper.	$ 187,200	$ 161,300
Loss-discont. oper.	—	(67,200)
Net Income	$ 187,200	$ 94,100

* Included in Costs and Expenses, Depreciation: $221,900,000 in 1989 and $142,700,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 78,100	$ 97,500
Short-term invest.	62,900	45,900
Receiv., net	929,900	419,500
Financing receiv., net	828,100	641,000
*Inventories	883,900	536,800
Prepaid expenses	71,500	61,700
Def. inc. taxes	34,600	24,900
Current Assets	$ 2,889,000	$ 1,827,300
Investments & other assets	1,176,100	762,500
#Fixed assets	1,288,400	819,900
Total Assets	$ 5,353,500	$ 3,409,700

Liabilities

(000's)		
Notes payable	$ 1,104,600	$ 695,100
Long-term debt curr.	36,100	35,800
Accts. payable	564,400	351,700
Accrued payroll & other compen.	120,200	88,600
Other accruals	399,300	197,900
Income taxes	26,700	5,100
Curr. Liabilities	$ 2,251,300	$ 1,374,200
Long-term debt	982,300	473,800
Deferred inc. taxes	184,400	139,300
Accrued pensions	293,700	37,700
+ Common stock	74,400	74,300
Add. paid-in capital	10,200	8,300
Retained earnings	1,502,900	1,391,900
For. curr. trans. adjust.	11,300	24,000
Treasury stock	(177,400)	(177,600)
Total Liabilities & Shareholders' Equity	$ 5,353,500	$ 3,409,700

* At LIFO cost, which does not exceed realizable values. Nonproduction and foreign inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.01	—
%Net Income to Sales	3.04	—
%Net Income to Equity	13.17	7.12
Sales to Inventories	6.96	8.04
Debt to Equity	1.49	0.91
Working Capital	$ 637,700,000	$ 453,100,000
Current Ratio	1.28	1.33
Shareholders' Equity	$ 1,421,400,000	$ 1,320,900,000

Whitehall Corporation

2659 Nova Drive
Dallas, Texas 75229
(214) 247-8747
FAX: (214) 247-2024

Mailing address:
P.O. Box 29709
Dallas, Texas 75229

Officers: Lee D. Webster, chairman of the board and president; Carl R. Anderson, v.p. & treasurer; John G. Peisen, secretary.

Directors: Lee D. Webster, chairman; Robert B. Gilmore, John A. Crichton, J. L. Huffines, Jr., John H. Wilson, III.

Areas of Work: Divided into three groups: Earth Sciences, Aerospace, and Electronic Components. The Earth Sciences Group manufactures and sells underwater sensing systems used for offshore geophysical surveys and naval surveillances. The Aerospace Group rebuilds and modifies aircraft airframes and electronic systems. The Electronic Components Group manufactures and markets frequency-controlling quartz crystals.

Divisions and Subsidiaries:

Crystek Crystals Corporation
2371 Crystal Drive
Fort Myers, Florida 33901
(813) 936-2100
Manufacture and distribution of frequency-controlling quartz crystals.

Seismic Engineering Company
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581
Design and manufacture of marine acoustic sensor systems for commercial geophysical applications.

Rogers Explorations, Inc.
2659 Nova Drive
Dallas, Texas 75229
(214) 247-7072
Land geophysical exploration services.

Hydroscience, Inc.
2659 Nova Drive
Dallas, Texas 75229
(214) 247-9052
Adaptation of commercial system technology to the specific underwater threat detection requirements of the U.S. Navy.

Seismic Explorations International, S.A.
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581
Marine geophysical exploration services.

Whitehall Export, Inc.
P.O. Box 29709
Dallas, Texas 75229
(214) 247-8747

Aero Corporation
Lake City, Florida 32055
(904) 752-7911
Aircraft maintenance, structural modification, avionics design and installation.

Transfer Agent(s):

Hibernia National Bank in Texas
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: WHT

Number of Employees:

1989	485	1986	1,001
1988	467	1985	1,366
1987	588		

Plant Footage:

1989	846,000 sq. ft.	1986	846,000
1988	846,000	1985	846,000
1987	846,000		

Sales & Earnings

	Net Sales	Net Income
1989	$ 24,183,171	$ 831,635
1988	26,558,300	(2,358,827)
1987	33,660,786	(3,825,957)
1986	36,930,831	2,197,666
1985	55,720,844	9,313,115

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,453,482	$ 0.24
1988	3,469,946	—
1987	3,635,513	—
1986	3,670,008	0.60
1985	3,702,893	2.52

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Earth sciences	$ 13,442,000	$ 10,805,000
Aerospace	8,052,000	13,322,000
Electronic components	2,689,000	2,431,000
Total	$ 24,183,000	$ 26,558,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 48,905,316	$ 14.24
1988	48,398,364	14.00
1987	51,172,911	14.64
1986	57,342,598	15.67
1985	55,557,465	15.11

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 24,183,171	$ 26,558,300
Other income	3,876,123	2,093,606
Total income	$ 28,059,294	$ 28,651,906
Cost of sales	23,002,315	28,076,463
Expenses	4,320,344	4,619,270
Income (loss) bef. taxes	$ 736,635	$ (4,043,827)
Tax credit	(95,000)	(1,685,000)
Net Income (Loss)	$ 831,635	$ (2,358,827)

* Included in Costs and Expenses, Depreciation and Amortization: $6,204,181 in 1989 and $7,237,255 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 34,790,639	$ 26,222,395
Accts. receiv., net	12,793,254	14,868,524
Recov. inc. taxes	—	1,253,952
*Inventories	8,046,286	12,226,900
Prepaid expenses	2,208,104	1,073,915
Current Assets	$ 57,838,283	$ 55,645,686
#Fixed assets	11,837,287	13,034,199
Other assets	1,346,652	1,346,652
Total Assets	$ 71,022,222	$ 70,026,537

Liabilities

Accts. payable	$ 2,277,088	$ 2,150,927
Accrued payroll	1,319,746	1,395,531
Accrued interest	11,138	18,068
Income taxes	13,205,239	—
Curr. Liabilities	$ 16,813,211	$ 3,564,526
Deferred inc. taxes	5,046,942	17,709,058
Other liabilities	253,753	354,589
+Common stock	377,376	377,376
Add. paid-in capital	1,053,211	1,053,211
Retained earnings	53,235,166	52,403,531
Treasury stock	(5,760,437)	(5,435,754)
Total Liabilities & Shareholders' Equity	$ 71,022,222	$ 70,026,537

* At average cost not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.05	—
%Net Income to Sales	3.44	—
%Net Income to Equity	1.70	—
Sales to Inventories	3.01	2.17
Working Capital	$ 41,025,072	$ 52,081,160
Current Ratio	3.44	15.61
Shareholders' Equity	$ 48,905,316	$ 48,398,364

Whittaker Corporation

10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-9411
FAX: (213) 879-9442

Whittaker Corporation

Officers: Joseph F. Alibrandi, chairman & chief executive officer; Gregory T. Parkos, president & chief operating officer; Daniel Hofmann, v.p., chief financial officer & chief accounting officer; Douglas W. Huemme, vice president; Gordon J. Louttit, vice president; Edward R. Muller, v.p., chief administrative officer & secretary; John K. Otto, treasurer.

Directors: Joseph F. Alibrandi, chairman; Walter B. Gerken, John C. West, George H. Benter, Jr., Gregory T. Parkos.

Areas of Work: Active in three principal fields: aerospace, biotechnology and specialty chemicals. Through its aerospace segment, the company designs, manufactures and distributes a wide variety of electronic, communications and control systems for aerospace and other performance-critical applications. The company's biotechnology operations develop and produce products for the medical research, diagnostic testing and pharmaceutical testing markets. Through its Dayton Chemicals and Polychimie units, the company develops and manufactures specialty chemical formulations, primarily adhesives.

Electronics-related Divisions and Subsidiaries:

Whittaker Bioproducts, Inc.
Building 100
Biggs Ford Road
Walkersville, Maryland 21793
(301) 898-7025

Produces materials and equipment used in the diagnosis of viral diseases, and other areas of biomedical research.

Electronic Resources Division
1955 North Surveyor Avenue
Simi Valley, California 93063
(805) 584-8200

High temperature coaxial cables; electronic components and subsystems; mechanical and electronic counters.

Electronic Systems Division
1785 Voyager Avenue
Simi Valley, California 93063
(805) 584-8200

Air traffic control systems; antenna tracking devices; radar simulators; radar tracking devices; tactical radar jammers; electronic components and subsystems.

Elsin Corporation
540 Oakmead Parkway
Sunnyvale, California 94086
(408) 748-9900

Yardney Power Systems Division
82 Mechanic Street
Pawcatuck, Connecticut 06379
(203) 599-1100

High-energy density batteries; high-intensity portable lights; battery chargers and control systems; marine emergency beacons; irrigation system filters.

Whittaker Controls, Inc.
12838 Saticoy Street
North Hollywood, California 91605
(818) 765-8160

Valves, actuators and pumps for aircraft hydraulic, pneumatic and fuel systems; electronic proximity switches.

Whittaker Command & Controls, Inc.
6190 Yarrow Drive
Carlsbad, California 92008
(619) 438-7336

Produces computerized electronic integrators which link together the various intelligence systems of the military to achieve overall pictures of battlezones.

Winters Industries Division
4125 Mahoning Road, N.E.
Canton, Ohio 44705
(216) 456-4321

Manufactures highly engineered automotive engine components such as "tuned port" air intake manifolds.

Whittaker Ordnance, Inc.
2751 San Juan Road
Hollister, California 95023
(408) 637-5851

Power Storage Systems Division
3850 Olive Street
Denver, Colorado 80207
(303) 388-4836

Water Management Systems Division
6666 Box Springs Road
Riverside, California 92507
(714) 656-6716

Transfer Agent(s):

Manufacturers Hanover Trust Company
Securityholder Relations
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: WKR

Number of Employees:

1989	3,500	1986	8,600
1988	3,900	1985	8,700
1987	N.A.		

Plant Footage:

1989	1,947,000 sq. ft.	1986	2,855,000
1988	2,314,000	1985	7,000,000
1987	N.A.		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 209,677,000	$ 32,089,000
1988	200,115,000	23,065,000
1987	180,862,000	36,615,000
1986	172,005,000	(4,946,000)
1985	115,889,000	19,867,000

	No. of Com. Shares #	Earn. per Share #
1989	7,570,000	$ 4.19
1988	6,819,000	3.30
1987	7,836,000	4.60
1986	12,537,000	—
1985	13,780,000	1.40

(Loss)
+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Aerospace	$ 136,400	$ 129,700
Specialty chemicals	42,000	40,400
Biotechnology	31,300	30,000
Total	$ 209,700	$ 200,[illegible]00

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.25	—	—
1988	1.00	—	
1987	0.70	—	—
1986	0.60	—	—
1985	0.60	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1989	$ (50,412,000)	$ —
1988	187,505,000	27.50
1987	168,199,600	21.46
1986	193,355,700	15.42
1985	377,450,780	27.39

(Deficiency)
‡ After allowing for preferred stock at liquidation values.
# Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1989	1988
Net sales	$ 209,677	$ 200,115
Cost of sales	131,318	133,062
Expenses	47,372	54,435
Interest expense	11,915	4,358
Interest income	(1,319)	(1,123)
Nonrecurring items	14,115	—
Inc. bef. taxes	$ 6,276	$ 9,383
Income taxes	2,822	4,495
Inc. - cont. oper.	$ 3,454	$ 4,888
Inc. - discont. oper.	28,635	18,177
Net Income	$ 32,089	$ 23,065

* Included in Costs and Expenses, Depreciation and Amortization: $11,545,000 in 1989 and $8,373,000 in 1988.

Assets
(000's)

As of Oct. 31	1989	1988
Cash	$ 10,443	$ 3,063
Receiv., net	72,824	61,648
*Inventories	41,793	40,206
Prepaid expenses	1,17	1,317
Deferred taxes	17,828	14,823
Net assets-discont. oper.	56,045	55,185
Current Assets	$ 200,090	$ 176,242
#Fixed assets	48,086	49,124
Goodwill	18,192	18,917
Intangibles	12,973	14,795
Notes recev.	6,322	7,773
Debt issuance costs	12,140	—
Other assets	12,742	17,722
Assets of discont. oper.	102,859	112,559
Total Assets	$ 413,404	$ 397,132

Liabilities
(000's)

	1989	1988
Notes payable	$ 3,101	$ 60,628
Long-term debt, curr.	142,616	2,638
Accts. payable	38,163	26,552
Accruals	32,860	31,096
Curr. Liabilities	$ 216,740	$ 120,914
Long-term debt	197,758	36,454
Def. inc. taxes	10,038	7,415
Other liabilities	35,626	33,918
+Preferred stock:		
$5.00 cumulative convert.	37	109
Series D partic. convert.	1	—
++Common stock	73	13,795
Add. paid-in capital	1,226	60,979
Retained earnings (deficit)	(49,319)	123,182
Cum. trans adjust.	1,224	366
Total Liabilities &	$ 413,404	$ 397,132
Shareholders' Equity	$	$ 436,056

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.
++ $0.01 par value in 1989; $1 par in 1988.

Statistical Summary

%Net Income to Equity	—	11.62
Sales to Inventories	5.02	4.98
Debt to Equity	—	0.50
Working Capital	—	$ 55,328,000
Current Ratio	—	1.46
Shareholders' Equity (Deficiency)	$ (46,758,000)	$ 198,431,000

Wickes Companies, Inc.

3340 Ocean Park Boulevard
P.O. Box 4056
Santa Monica, California 90405
(213) 452-0161
FAX: (213) 452-9509

(Became a privately held corporation via a leveraged buyout by WCI Holdings Corporation, a corporation jointly owned by Blackstone Capital Partners, L.P. and Wasserstein, Perella Partners, L.P., on April 13, 1989.)

Officers: James R. Birle, co-chairman of the board & chief exec. officer; Ronald D. Strongwater, v.p.-real estate; James N. Castleberry, v.p. & comptroller; Michael Jamieson, v.p.-financial planning & analysis; Robert S. Fenton, v.p.-tax and legal & secretary.

Directors: James R. Birle, Co-Chairman; Robert B. McKeon, Co-Chairman; Stephen A. Schwarzman, Randall J. Weisenburger, Jon B. Kutler, David A. Stockman.

Areas of Work: The Wickes Manufacturing division produces diesel and gasoline pistons, electrical and electronic components, bumpers, aluminum castings, extrusions and tubing, stampings, mechanical components (shifters and parking brakes), window regulators, convertible tops and power units, electro-mechanical actuators, and wire-formed assemblies for the automotive industry. It also manufactures electronic connectors for the electrical and electronic markets, electrical wire and cable, and proprietary commercial refrigeration and air-conditioning systems for the construction market. In addition, Wickes Manufacturing division makes safety hardware and systems for military air crewmen and thermo processes specialty metals for aircraft and missile components. The Wickes Engineering division manufactures aircraft arresting gear, prototype and production parts for aircraft jet engines and replacement turbine blades for electrical generators.

In the retail area, the Company operates Builders Emporium home improvement centers and Orchard Supply Hardware stores. Manufacturing operations other than electronic are conducted by Collins & Aikman, which manufactures upholstery, carpet, specialty textiles and yarns, wallcoverings, and warp knit fabrics.

Other business activities include WCI Financial Corp. which purchases and finances accounts receivable generated by the retailing group; Western Diversified Services which offers insurance to individuals and companies, and the distribution of automotive parts through A.P.S., Inc., Vera Imported Parts Corporation, and Guaranteed Parts/Sorensen.

Electronics Divisions:

Elco
Bohn Heat Transfer
H. Koch & Sons
Advanced Development & Engineering Center (ADEC)

Wickes Engineering
Mal Tool & Engineering
Cepco
Klock

Larkin, Inc.
Manufactures OEM coils and refrigeration products.

Dura Corporation
Manufactures automobile window regulators, convertible top mechanisms and actuators.

Number of Employees:

1989	29,500	1986	60,000
1988	38,000	1985	57,350
1987	35,000		

Plant Footage:*

1989	3,945,000 sq. ft.	1986	4,000,000
1988	4,150,800	1985	4,100,000
1987	4,409,000		

* Electronics manufacturing only.

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1990	$ 2,991,845	$ 233,858
1989	3,216,556	(122,542)
1988	3,085,139	180,511
1987	1,818,886	83,750
1986	726,427	76,130

	No. of Com. Shares ‡	Earn. per Share #‡
1990	47,808,000	$ 4.80
1989	47,779,000	—
1988	47,815,000	3.68
1987	39,770,000	1.65
1986	19,662,000	2.35

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $167,510 ($3.50 per share) in 1990 and extraordinary loss of $11,509,000 ($0.24 per share) in 1988.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Revenues by Line of Business

	1990	1989
Automotive & industr. prods. —	$ 1,147,492	$ 1,175,343
Home improve. & wallcoverings	1,014,789	1,252,695
Textiles	829,564	788,518
Total	$ 2,991,845	$ 3,216,556

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 5.04	—	—
1989	—	—	
1988	—	—	1-for-5

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share +
1990	$ 1,038,331	$ 21.72
1989	1,062,587	22.24
1988	1,191,216	24.91
1987	1,011,022	25.42
1986	516,902	26.29

‡ After allowing for preferred stock at liquidation value of $40 per share.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account *
(000's)

Year ended	1,27,90	1/28/89
Net sales	$ 2,991,845	$ 3,216,556
Cost of sales	2,259,294	2,393,261
Expenses	658,651	710,790
Restruc. costs	39,265	—
Settle. of litigation	1,500	4,450
Terminated acq. costs	—	25,000
Severance expenses	—	26,190
Interest expense	167,813	168,770
Prov.-loss on sale of assets	27,499	—
Loss before taxes	$ (162,177)	$ (111,905)
Income taxes	6,143	7,529
Loss-cont. oper.	$ (170,320)	$ (119,434)
Income (loss)-discont. oper.	236,668	(3,108)
Net Income (Loss)	$ 66,348	$ (122,542)
Extraord. gain	167,510	—
Net Income (Loss) & extraord. gain	$ 233,858	$ (122,542)

*Included in Costs and Expenses, Depreciation and Amortization: $148,674,000 in 1988 and $129,897,000 in 1987.

Assets
(000's)

As of	1/27/90	1/28/89
Cash & short-term invest.	$ 217,004	$ 37,411
Receiv., net	386,527	465,323
*Inventories	464,464	760,772
Assets of discont. oper.	—	131,417
Other curr. assets	47,429	73,555
Current Assets	$ 1,115,424	$ 1,468,478
#Fixed assets	558,358	749,266
Purch. price in exc. of assets acq.	968,128	1,099,728
Other assets	174,862	255,849
Total Assets	$ 2,816,772	$ 3,573,321

Liabilities
(000's)

Notes payable	$ 38,437	$ 42,607
Long-term debt, curr.	8,356	34,724
Accts. payable	229,544	297,261
Accruals	288,159	302,737
Other curr. liabilities	16,802	16,133
Curr. Liabilities	$ 581,298	$ 693,462
Long-term debt	1,052,206	1,636,545
Cap. lease oblig.	19,194	29,524
Deferred inc. taxes	80,493	105,953
+Preferred stock	181	181
+Common stock	4,781	4,777
Add. paid-in capital	974,559	975,578
Retained earnings	97,966	109,422
For. curr. trans. adjust.	9,523	18,806
Treasury stock	—	(927)
Pension eq. adjust.	(3,429)	—
Total Liabilities & Shareholders Equity	$ 2,816,772	$ 3,573,321

* At lower of cost (FIFO or retail) or market, but not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	6.12	—
Sales to Inventories	6.44	4.23
Debt to Equity	1.03	1.57
Working Capital	$ 534,126,000	$ 775,016,000
Current Ratio	1.92	2.12
Shareholders' Equity	$ 1,083,581,000	$ 1,107,837,000

Wiltek, Inc.

542 Westport Avenue
Norwalk, Connecticut 06851
(203) 853-7400

Officers: Robert W. Cruickshank, chairman; Jay W. Fitzpatrick, president, chief exec. officer and treasurer; Boris Frenkiel, v.p. & asst. secretary; F. Spencer Pooley, Jr., v.p.; Jeffrey Stuart, v.p.; Paul F. Jacobson, secretary.

Directors: Martha M. Driver, Richard T. Niner, Ellis L. Phillips, Jr., Jay W. Fitzpatrick, Robert W. Cruickshank, Robert J. Campbell, Robert Capone.

Areas of Work: Designs, implements and operates worldwide message and data communication services that enable organizations with otherwise incompatible terminals, computers and communication networks to send and receive information.

Subsidiaries:

Wiltek (U.K.) Ltd.
84 Upper Richmond Road
London 5W152ST, England

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees*:

1988	39	1985	32
1987	37	1984	26
1986	33		

Plant Footage:

1988	16,000 sq. ft.	1985	16,000
1987	16,000	1984	15,000
1986	16,000		

* Full-time only.

Sales & Earnings

	Revenues	Net Income
1988	$ 4,412,500	$ 212,800
1987	3,719,900	11,400
1986	3,512,500	170,100
1985	2,856,300	(132,400)
1984	2,299,200	(750,500)

	No. of Com. Shares	Earn. per Share #
1988	4,238,058	$ 0.05
1987	4,474,219	—
1986	4,574,219	0.04
1985	4,774,219	—
1984	4,774,219	—

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 2,661,900	$ 0.63
1987	2,683,300	0.60
1986	2,776,900	0.61
1985	2,820,800	0.59
1984	2,953,200	0.62

Income Account *

Year ended Oct. 31	1988	1987
Revenues:		
Comm. serv. & lic. fees.	$ 4,304,200	$ 3,593,400
Terminal revenues	108,300	126,500
Total revenues	$ 4,412,500	$ 3,719,900
Cost of sales	2,031,600	1,805,000
Expenses	2,205,100	1,981,900
Interest income	(89,300)	(94,500)
Other exp.	52,300	16,100
Net Income	$ 212,800	$ 11,400

* Included in Costs and Expenses, Depreciation and Amortization: $508,200 in 1988 and $493,400 in 1987.

Assets

As of Oct. 31	1988	1987
Cash & cert. of deposit	$ 1,130,800	$ 1,337,500
Short-term investments	396,600	86,700
Accts. receiv., net	637,800	551,900
Other curr. assets	46,300	53,000
Current Assets	$ 2,211,500	$ 2,029,100
‡ Rental Equip.	979,800	1,186,000
Total Assets	$ 3,191,300	$ 3,215,100

Liabilities

	1988	1987
Accounts pay. & accruals	$ 529,400	$ 531,800
Curr. Liabilities	$ 529,400	$ 531,800
+Common stock	1,593,900	1,593,900
Add. paid-in capital	5,702,100	5,702,100
Deficit	(4,063,600)	(4,276,400)
Treasury stock	(570,500)	(336,300)
Total Liabilities & Shareholders' Equity	$ 3,191,300	$ 3,215,100

‡ Less accumulated amortization.
+ No par value; $0.33 1/3 stated value.

Statistical Summary

	1988	1987
% Net Income to Revenues	4.82	0.31
% Net Income to Equity	7.99	0.42
Working Capital	$ 1,682,100	$ 1,497,300
Current Ratio	4.18	3.82
Shareholders' Equity	$ 2,661,900	$ 2,683,300

WMS Industries, Inc.

767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Officers: Louis J. Nicastro, chairman of the board, president & chief executive officer; Norman J. Menell, exec. v.p. & chief operating officer; Paul R. Shackford, v.p.-finance, chief financial & accounting officer; Neil D. Nicastro, sr. v.p. & treasurer; Barbara M. Norman, v.p., secretary & gen. counsel.

Directors: Louis J. Nicastro, chairman; Norman J. Menell, William C. Bartholomay, William E. McKenna, Harvey Reich, George Baker, Neil D. Nicastro.

Areas of Work: The Company is engaged in the design, manufacture and sale of coin-operated amusement games. The Company's games include both pinball and video games which use electronic technology. The Company is also involved in the ownership and operation of hotels and casinos.

Subsidiaries:

Posadas de Puerto Rico Associates, Inc.
999 Ashford Avenue
San Juan 00902 Puerto Rico
(809) 721-1000

Williams Hospitality Management Corp.
999 Ashford Avenue
San Juan 00902 Puerto Rico
(809) 721-1000

Williams Hotel Corporation
767 Fifth Avenue
New York, New York 10153
(212) 759-5400

WMS Games Inc.
767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Midway Manufacturing Company
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

Williams Electronics Games, Inc.
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

WMS Hotel Corporation
767 Fifth Avenue
New York, New York 10153
(212) 751-5300

ESJ Hotel Corporation
767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Posadas de San Juan Associates
El San Juan Hotel & Casino
Isla Verde Road 187
Carolina, San Juan 00913, Puerto Rico
(809) 791-1000

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10280
(212) 495-1784

Stock Exchange(s): New York

Ticker Symbol: WMS

Number of Employees:

1988	658	1986	700
1987	966		

Plant Footage:

1988	201,400 sq. ft.	1986	201,400
1987	201,400		

* Electronics-related only.

Sales & Earnings

	Revenues +	Net Income
1988*	$ 81,347,000	$ (2,209,000)
1987	122,974,000	(2,306,000)
1986	103,862,000	(3,401,000)
1985	64,950,000	(3,247,000)
1984	57,506,000	(14,473,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1988*	7,894,030	$ —
1987	8,013,475	—
1986	7,532,307	—
1985	7,523,750	—
1984	7,523,750	—

(Loss)
* 9 months
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	
1986	—	—	—
1985	—	—	—
1984	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 19,408,000	$ 2.46
1987	21,882,000	2.73
1986	23,999,000	3.19
1985	27,283,000	3.63
1984	30,530,000	4.06

‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended	6/30/88 (9 months)	9/30/87
Net sales	$ 43,047	$ 76,503
Hotel & casino oper.	38,300	46,471
Total income	$ 81,347	$ 122,974
Cost of sales	39,409	66,435
Restruc. of work force	560	—
Hotel/casino oper. exp.	25,670	29,469
Expenses	14,615	20,490
Eq. in loss (inc.) of affil.	(1,911)	446
Minority interest	459	610
Unreal. loss of mark. secur.	811	—
Interest income	(859)	(1,279)
Interest expense	4,802	6,180
Inc. (loss) - cont. oper.	$ (2,209)	$ 623
Loss - discont. oper.	—	(2,929)
Net Loss	$ (2,209)	$ (2,306)

* Included in Costs and Expenses, Depreciation and Amortization: $2,794,000 in 1988 and $3,408,000 in 1987.

Assets
(000's)

As of	6/30/88	9/30/87
Cash & cash equiv.	$ 8,427	$ 10,430
Short-term invest.	—	3,900
Receiv., net	14,108	16,416
*inventories	8,758	11,105
Recov. inc. taxes	298	985
Market. securities	4,330	—
Other curr. assets	1,962	1,758
Net assets-telephone bus.	—	618
Current Assets	$ 37,883	$ 45,212
Investments	9,767	8,348
Other assets	2,084	6,147
#Fixed assets	37,024	35,486
Intangibles	8,958	9,127
Total Assets	$ 95,716	$ 104,320

Liabilities
(000's)

Long-term debt, curr.	$ 2,214	$ 1,368
Notes payable	8,384	12,650
Accts. payable	10,262	12,541
Accruals	8,136	7,064
Pay. to unconsol. affil.	454	1,218
Other curr. assets	4,896	4,362
Curr. liabilities	$ 34,346	$ 39,203
Long-term debt	35,291	36,743
Minority interest	6,671	6,492
+Common stock	3,958	3,958
Add. paid-in capital	2,432	2,432
Retained earnings	15,172	17,381
Receiv. from stock sale	(1,889)	(1,889)
Treasury stock	(128)	—
Unreal. loss on invest.	(137)	—
Total Liabilities & Shareholders' Equity	$ 95,716	$ 104,320

+ At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

Debt to Equity	2.36	2.32
Working Capital	$ 3,537,000	$ 6,009,000
Current Ratio	1.10	1.15
Shareholders' Equity	$ 19,408,000	$ 21,882,000

Wyle Laboratories

128 Maryland Street
El Segundo, California 90245
(213) 322-1763

Officers: Stanley A. Wainer, chairman; Charles M. Clough, president & chief executive officer; Theodore M. Freedman, exec. v.p.-finance, treasurer & chief financial officer; Ralph L. Ozorkiewicz, exec. v.p., & president-Electronics Marketing Group; John R. Herring, exec. v.p., & president-Scientific Services & Systems Group; Joseph E. Sullivan, v.p.-administration, taxes & secretary; R. Van Ness Holland, Jr., v.p. & corp. controller.

Directors: Frank S. Wyle*, Lawrence E. Irell, Stanley A. Wainer*, John R. Herring*, Raymond J. Raff, James J. McMorrow*, Edward Sanders, F. Stephen Wyle, Theodore M. Freedman*, Charles M. Clough*, John B. Farrell, Jack S. Kilby.

* Member of the Executive Committee

Areas of Work: Industrial distribution of electronic components and systems including sales, service, and finance functions; research, engineering, and testing services to the energy and aerospace/defense industries; manufactures electronic enclosures and electrical cables.

Divisions and Subsidiaries:

Scientific Services & Systems Group

Huntsville Facility
7800 Governors Drive, West
P.O. Box 1008
Huntsville, Alabama 35807
(205) 837-4411

Provides engineering, testing and support services for the aerospace, defense and nuclear power industries.

Hampton Facility
3200 Magruder Boulevard
Hampton, Virginia 23666
(804) 838-5000

Design, assembly, programming, and operation of computer-based data systems; instrument calibration and maintenance.

Norco Facility
1841 Hillside Avenue
Norco, California 91760
(714) 737-0781

Provides engineering, testing and support services for the aerospace, defense and nuclear power industries.

El Segundo Facility
128 Maryland Street
El Segundo, California 90245
(213) 678-4251

Provides engineering, testing and support services for the aerospace, defense and nuclear power industries.

Applied Research
Houston, Texas
El Segundo & Santa Clara, California
Colorado Springs, Colorado

Provides engineering and management services to the aerospace/defense market.

Research Staffs:

Consulting services and contract research in the physical sciences, specializing in acoustics; aerospace and seismic studies.

Burton Electrical Engineering
111 Maryland Street
El Segundo, California 90245

Design and manufacture of electrical ground support systems for aircraft, electrical cable systems for the oil well industry, and other kinds of electrical systems.

Electronic Enclosures:

225 South Aviation Boulevard
El Segundo, California 90245
(213) 679-0181

6995 Airport Highway
Pennsauken, New Jersey 08109
(609) 665-6810

Supplies standard electronic cabinetry as well as sophisticated TEMPEST RFI shielded cabinets which are used to secure military communications.

Electronics Marketing Group

Distribution of electronic components and computer systems.

Facilities:

Atlanta, Georgia

Austin, Dallas & Houston, Texas

Boston, Massachusetts

Denver, Colorado

Garden Grove, Huntingdon Beach, Irvine, Los Angeles, Sacramento, San Diego & Santa Clara, California

Phoenix, Arizona

Portland, Oregon

Salt Lake City, Utah

Seattle, Washington

Transfer Agent(s)

Security Pacific National Bank
Corporate Services Division
P.O. Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: WYL

Number of Employees:

1988 2,175

Sales & Earnings

	Net Sales †	Net Income
1989	$ 410,909,000	$ 7,800,000
1988	368,033,000	5,779,000
1987	307,000,000	4,307,000
1986	260,816,000	(3,196,000)
1985	343,390,000	9,395,000

	No. of Com. Shares #	Earn. per Share #
1989	10,173,000	$ 0.77
1988	10,189,000	0.57
1987	9,779,000	0.44
1986	9,635,000	—
1985	9,492,000	0.99

(Loss)
† Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Electronics mktng.	$ 318,107	$ 265,395
Scientific serv. & syst.	92,802	102,638
Total	$ 410,909	$ 368,033

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 0.28	—	—
1988	0.27	—	
1987	0.26	—	—
1986	0.26	—	—
1985	0.26	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 93,851,000	$ 9.26
1988	88,522,000	8.78
1987	80,612,000	8.37
1986	78,373,000	8.18
1985	81,800,000	8.76

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1989	1988
Net sales	$ 410,909,000	$ 368,033,000
Cost of sales	317,207,000	286,747,000
Expenses	77,563,000	67,915,000
Interest expense	3,770,000	3,140,000
Loss on dispos. of prop.	27,000	74,000
Other income	(595,000)	(350,000)
Income before taxes	$ 12,937,000	$ 10,507,000
Income taxes	5,137,000	4,728,000
Net Income	$ 7,800,000	$ 5,779,000

* Included in Costs dn Expenses, Depreciation and Amortization: $4,580,000 in 1988 and $3,997,000 in 1987.

Assets

As of Jan. 31	1989	1988
Cash and equiv.	$ 4,889,000	$ 13,008,000
Accts. receiv., net	64,886,000	60,452,000
*Inventories	74,282,000	68,849,000
Other current assets	4,731,000	3,569,000
Current Assets	$ 148,788,000	$ 145,878,000
#Fixed assets	30,243,000	25,860,000
Other assets	3,882,000	4,023,000
Total Assets	$ 182,913,000	$ 175,761,000

Liabilities

Notes payable	$ 4,700,000	$ —
Long-term debt, curr.	11,320,000	809,000
Accts. payable	19,999,000	23,548,000
Accruals	16,549,000	15,055,000
Curr. Liabilties	$ 52,568,000	$ 39,412,000
Long-term debt	7,405,000	18,724,000
Convertible sub. debentures	25,000,000	25,000,000
Deferred inc. taxes	4,089,000	4,103,000
+Common stock	52,232,000	51,866,000
Retained earnings	41,619,000	36,656,000
Total Liabilities & Shareholders' Equity	$ 182,913,000	$ 175,761,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.15	2.85
%Net Income to Sales	1.90	1.57
%Net Income to Equity	8.31	6.53
Sales to Inventories	5.53	5.35
Debt to Equity	0.25	0.22
Working Capital	$ 96,220,000	$ 106,466,000
Current Ratio	2.83	3.70
Shareholders' Equity	$ 93,851,000	$ 88,522,000

Xerox Corporation

P.O. Box 1600
800 Long Ridge Road
Stamford, Connecticut 06904
(203) 968-3000
FAX: (203) 322-5374

Officers: David T. Kearns, chairman & chairman of the executive committee; Paul A. Allaire, chief executive officer; William F. Glavin, vice chairman; Stuart B. Ross, chairman & chief exec. officer-Xerox Financial Services; Wayland R. Hicks, exec. v.p. & president-marketing & customer operations; William C. Lowe, exec. v.p.-development & manufacturing; A. Barry Rand, group v.p. & president-U.S. Marketing Group; Douglas M. Reid, sr. v.p. & sr. staff officer; Richard S. Paul, v.p. & general counsel; Eunice M. Filter, v.p. & corp. secretary; Robert J. Kammerer, v.p.-marketing communications; Roger E. Levien, v.p.-corp. strategy office; Thomas P. Maletta, v.p.-taxes; John J. McGinty, v.p.-management control evaluation & corp. audit; Norman E. Rickard, v.p.-corp. quality office; Alan Z. Senter, v.p. & treasurer; David R. Myerscough, v.p. & president-Xerox Americas operations; Austin E. Vanchieri, v.p. & president-Information Products Division; William J. Spencer, v.p.-Corp. Research Group; Donald A. Zrebiec, v.p.-management resources; Ronald B. Campbell, Jr., vice president & sr. v.p.-strategy & architecture; L. Lyndon Haddon, vice president; Norbett H. Kaupp, vice president-printing systems development; Robert T. Knight, vice president & sr. v.p.-segment marketing; Charles E. Otto, vice president & sr. v.p.-operations, U.S. Marketing Group; Richard C. Palermo, vice president & sr. v.p.-marketing support, U.S. Marketing Group; M. Norton Rosner, vice president-Real Estate & General Services Division; John C. Shoemaker, vice president & sr. v.p.-printing systems marketing; Michael Smith, vice president & sr. v.p.-reprographics/IOT development; Eric L. Steenburgh, vice president & sr. v.p. & gen. mgr.-manufacturing; Raghunandan D. Sachdev, controller, Robert R. Evans, asst. treasurer.

Directors: David T. Kearns*, chairman; Paul A. Allaire*, Robert A. Beck, Joan Ganz Cooney, William F. Glavin*, Alfred Herrhausen, Melvin Howard*, B. R. Inman, Vernon E. Jordan, Jr., Yotaro Kobayashi, John D. Macomber, C. Peter McColough, N. J. Nicholas, Jr., William E. Simon, Robert L. Sproull, Robert S. Strauss, Thomas C. Theobald.

* Member of the Executive Committee

Areas of Work: The company is principally in the business equipment and financial services businesses. Within the business equipment segment, the reprographics business consists of the development, manufacture, marketing and maintenance of xerographic copiers and duplicators. It also includes the manufacture and/or marketing of related paper and other supplies. Within the business equipment segment, the information systems business consists of the development, manufacture, marketing and maintenance of electronic, impact and electrostatic printers, workstations, information processing products, electronic typewriters, plotters, facsimile transceivers, software, networks, and related supplies. The principal markets for business equipment products are business and government offices. The primary method of marketing such products is through the Company's sales force.

Divisions and Subsidiaries:

AutEx Systems
55 Williams Street
Wellesley, Massachusetts 02135
(617) 235-1940

Diablo Systems, Inc.
24500 Industrial Blvd.
Hayward, California 94545
(415) 786-5000

Kurzweil Computer Products, Inc.
33 Cambridge Parkway
Cambridge, Massachusetts 02142
(617) 864-4700

Systemix
2737 Campus Drive
Irvine, California 92715
(714) 851-1010

Versatec, Inc.
2805 Bowers Avenue
Santa Clara, California 95051
(408) 988-2800

Xerox Business Products & Systems Group
P.O. Box 1600
Stamford, Connecticut 06904
(203) 968-3000

Xerox Canada, Inc.
703 Don Mills Road
Don Mills, Ontario M3C 15D, Canada
(416) 429-6750

U.S. Marketing Group
Xerox Square
Rochester, New York 14644
(716) 427-5400

Special Markets Group
101 Continental Boulevard
El Segundo, California 90245
(213) 333-2428

Custom Systems Division
1616 North Ft. Myer Drive
Arlington, Virginia 22209
(703) 527-6400

Corporate Research Group
P.O. Box 1600
Stamford, Connecticut 06904
(203) 968-3000

Xerox Computer Services
5310 Beethoven Street
Los Angeles, California 90066
(213) 390-3461

Fuji Xerox Co., Ltd. (50% owned)
3-5 Akasaka 3-chome
Minato-ku, Tokyo 107, Japan

Xerox Group Affiliate Operations
3 Pickwick Plaza
Greenwich, Connecticut 06830
(213) 622-4700

Xerox Limited, Hong Kong
P.O. Box 489
12C Watson's Estate
North Point, Hong Kong, China

Xerox Learning Systems
One Pickwick Plaza
Greenwich, Connecticut 06830
(203) 622-5300

Xerox Magnetics
150 Charcot Avenue
San Jose, California 95131
(408) 262-4136

Xerox Medical Systems
125 N. Vinedo Avenue
Pasadena, California 91107
(213) 251-2351

Xerox Memory Division
3333 Bowers Avenue, Suite 250
Santa Clara, California 95051
(408) 727-7710

Xerox Information Products Division
901 Page Avenue
Fremont, California 94537
(415) 498-7000

Integrated Systems Operations
7900 Westpark Drive
McLean, Virginia 22102
(703) 442-6700

Engineering Systems Division
Xerox Square
Rochester, New York 14644
(716) 427-5400

Xerox Printing Systems Division
Xerox Corporation
Continental Park
880 Apollo Street
El Segundo, California 90245
(213) 536-7000

Xerox Electronics Division
701 S. Aviation Blvd.
El Segundo, California 90245
(213) 536-7000

Xerox Office Systems Division
2100 Geng Road
Palo Alto, California 94303
(415) 496-6000

Xerox Information Systems Division
2100 Geng Road
Palo Alto, California 94303
(415) 496-6000

Xerox General Services Division
Xerox Square
100 Clinton Avenue
Rochester, New York 14644
(716) 427-5400

Xerox Real Estate Division
800 Long Ridge Road
Stamford, Connecticut 06904
(203) 329-8700

Rank Xerox Limited
Parkway, Marlow
Buckinghamshire SL7 1YL, England

Xerox Special Businesses Division
Xerox Corporation
Xerox Square
Rochester, New York 14644

Xerox Argentina, I.C.S.A.
Xerox do Brasil, S.A.
Xerox de Chile, S.A. Reproducciones
Xerox del Ecuador, S.A.
Industrias Xerographicas, S.A. de C.V.
Xerox del Peru, S.A.
Xerox de Venezuela, C.A.
Xerox de Colombia, S.A.
Xerox Research (UK) Limited
Rank Xerox Holding B.V. (50% owned)
Rank Xerox Manufacturing (Nederland) B.V.
Societe Industrielle Rank Xerox S.A.
Bessemer Trust Limited
Lyell Holdings Ltd.
Fuji Xerox Co., Ltd.
Rank Xerox (U.K.) Limited
Rank Xerox (Ireland) Limited
Rank Xerox de Espana Limited
Rank Xerox Espanola S.A.
Rank Xerox (N.Z.) Ltd.
Rank Xerox S.A.
Rank Xerox Exports Ltd.
Rank Xerox Business Equipment Inc.
Rank Xerox Investments Ltd.
Xerox International Sales Corp.
Rank Xerox (Management) Limited (50% owned)
N.V. Rank Xerox S.A.
Rank Xerox (Australia) Pty. Ltd.
Rank Xerox Austria G.m.b.H.
Rank Xerox A/S
Rank Xerox Oy
Rank Xerox G.m.b.H.
Rank Xerox Greece S.A.
Rank Xerox S.p.A.
Rank Xerox (Nederland) B.V.
Rank Xerox A/S
Rank Xerox A.B.
Rank Xerox A.G.

Xerox Financial Services, Inc.
Norwalk, Connecticut

Crum & Forster, Inc.
Morristown, New Jersey

Xerox Credit Corporation
Stamford, Connecticut

Van Kampen Merritt, Inc.
Lisle, Illinois

Furman Selz Holding Corporation
New York, New York

Xerox Life
Lisle, Illinois

Transfer Agent(s):

Xerox Corporation
P.O. Box 2007
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Boston, Cincinnati, Pacific, Philadelphia, London, Paris, Basel, Berne, Geneva, Lausanne, Zurich, Amsterdam, Dusseldorf, Frankfurt.

Ticker Symbol: XRX (New York)

Number of Employees:*

1989	111,400	1986	112,400
1988	113,200	1985	112,600
1987	112,300		

* Including Insurance and Other Financial Services.

Sales & Earnings

	Oper Rev. † (000's)	Net Income (000's)
1989	$ 17,635,000	$ 704,000
1988	16,441,000	388,000
1987	15,108,000	578,000
1986	13,287,000	465,000
1985	11,994,000	475,000

	No. of Com. Shares	Earn. per Share #
1989	92,115,000	$ 6.56
1988	102,862,000	3.49
1987	100,096,000	5.30
1986	97,651,000	4.25
1985	96,456,000	4.38

† Of continuing operations only.
# Based on the average number of common shares and Class B shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Business equipment	$ 11,720,000	$ 11,152,000
Xerox equip. financing	711,000	536,000
Third party financing	406,000	264,000
Insurance	4,591,000	4,295,000
Investment banking	207,000	194,000
Total	$ 17,635,000	$ 16,441,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 3.00	—	—
1988	3.00	—	
1987	3.00	—	—
1986	3.00	—	—
1985	3.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 5,035,000	$ 53.59
1988	5,371,000	52.22
1987	5,105,000	51.00
1986	4,687,000	48.00
1985	4,386,000	45.47

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 17,635,000	$ 16,441,000
Cost of sales & expenses	16,395,000	15,345,000
Restruc. costs	—	275,000
Income before taxes	$ 1,240,000	$ 821,000
Income taxes	384,000	286,000
Minorities' interests in earn. of subsid.	152,000	147,000
Net Income	$ 704,000	$ 388,000

* Included in Costs and Expenses, Depreciation and Amortization: $765,000,000 in 1989 and $784,000,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 142,000	$ 296,000
Accts. receiv., net	3,239,000	3,246,000
Finance receiv., net	8,572,000	6,657,000
*Inventories	1,567,000	1,685,000
Investments	9,394,000	7,960,000
Rental equip.	1,023,000	977,000
#Fixed assets	1,997,000	2,008,000
Invest. in affil.	1,048,000	962,000
Exc. of costs over assets acq.	1,123,000	1,089,000
Other assets	1,983,000	1,561,000
Total Assets	$ 30,088,000	$ 26,441,000

Liabilities
(000's)

Accts. payable	$ 814,000	$ 878,000
Accrued payroll	922,000	811,000
Unearned income	1,557,000	1,632,000
Insurance reserves	8,015,000	6,845,000
Other liabilities	1,980,000	1,928,000
Long-term debt, curr.	3,243,000	2,495,000
Long-term debt	7,511,000	5,379,000
Deferred ESOP benefits	(785,000)	—
Minorities' interests in eq. of subsid.	715,000	806,000
+Redeem. pref. stock	1,081,000	296,000
++Common stock	94,000	103,000
Add. paid-in capital	511,000	1,148,000
Retained earnings	4,641,000	4,283,000
Unreal. apprec. of eq. invest.	22,000	26,000
Cum. trans. adjust.	(233,000)	(189,000)
Total Liabilities & Shareholders' Equity	$ 30,088,000	$ 26,441,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value. The 20-year preferred is $4.125 cumulative; the 10-year preferred is $3.6875 cumulative.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	7.03	4.99
%Net Income to Revenues	3.99	2.36
%Net Income to Equity	13.98	7.22
Debt to Equity	2.14	1.47
Shareholders' Equity	$ 5,035,000,000	$ 5,371,000,000

Zenith Electronics Corporation

1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-7000
FAX: (312) 391-7253

Officers: Jerry K. Pearlman, chairman and president; Robert B. Hansen, pres.-consumer products group; Carl A. Michelotti, president-computer group; Otto M. Genutis, president-components group; Michael J. Kaplan, v.p.-human resources and public affairs; Kell B. Benson, v.p. & controller; John Borst, Jr., v.p. & general counsel.

Directors: Harry G. Beckner, Sidney Davidson*, Wilbur H. Gantz, Frederick G. Jaicks*, Arthur W. Schultz, Jerry K. Pearlman*, T. Kimball Brooker, Robert B. Hansen, G. Ralph Guthrie*, Kell B. Benson.

* Member of the Executive Committee

Areas of Work: Develops, manufactures and markets consumer electronic products, color picture tubes, color monitors for computers, cable products, and high technology electronic components, such as monochrome displays and monitors, power supplies and automotive electronics. Zenith is engaged predominantly in the design, development, manufacture and sale of consumer electronics and related products. These products include: color and black-and-white televisions, video cassette recorders, parts and accessories, cable television products, microcomputers and related peripheral equipment and software, power supplies, display devices and subsystems and color television picture tubes. Other products include high-technology components which are sold to original equipment manufacturers. The Heath Company, a wholly owned subsidiary, produces and markets consumer electronics products in kit and assembled form through mail order distribution and 70 retail store operations in the United States and Canada. Zenith Data Systems Corporation, a wholly owned subsidiary, sells microcomputers, related peripheral equipment and software directly to major corporations, educational institutions and the government, as well as through retail computer stores.

Divisions and Subsidiaries:

Zenith Electronics Corporation
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Microcircuits Corporation
1851 Arthur Street
Elk Grove, Illinois 60007
(312) 956-1550

Rauland Division
2407 W. North Ave.
Melrose Park, Illinois 60160
(312) 379-4600

Zenith Electronics Corporation
1500 No. Kostner Avenue
Chicago, Illinois 60651
(312) 745-2000

Zenith Electronics Corporation
11000 Seymour
Franklin Park, Illinois 60131
(312) 671-7550

Springfield Division
2500 E. Kearney Street
Springfield, Missouri 65801
(417) 865-8341

Zenith Electronics Corp. of Texas
6601 South 33rd Street
McAllen, Texas 78503
(512) 687-9161

Electro Partes de Matamoros, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Partes de Television de Reynosa S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith Taiwan Corporation
Zenith Electronics (Pacific) Ltd.
No. 16 Chih Chiang First Road
Chung Li-Industrial District, Chung-Li Shin
Toa-Yuan Hsien, Taiwan, R.O.C.

Zenith Radio Corp. of Canada, Ltd.
1020 Islington Avenue
Toronto, Ontario M8Z 5X5, Canada
(416) 231-4171

Zenith Distributing Corp. of Northern California
800 Mariposa Street
San Francisco, California 94107
(415) 621-8545

Zenith Distributing Corporation of Southern California
11945 East Pike Street
Santa Fe Springs, California 90670
(213) 699-7461

Zenith Distribution Corp. of New York
200 Meadowlands Parkway
Secaucus, New Jersey 07094
(201) 330-9000

Zenith Distributing Corp.-Midstates
12600 West 93rd Street
Lenexa, Kansas 66215
(913) 888-4800

Zenith Distributing Corp. of Illinois
505 No. Northwest Avenue
Northlake, Illinois 60164
(312) 562-7300

Zenith Data System Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-8860

Zenith Electronics (Ireland) Ltd.
Virginia Road, Kells
County Meath, Ireland

Zenith Electronics Corp. of Arizona
217 3rd Street
Douglas, Arizona 85607

Telson De Mexico, S.A. de C.V.
217 3rd Street
Douglas, Arizona 85607

Zenith Video Tech Corporation
11000 Seymour Avenue
Franklin Park, Illinois 60131

Zenith Video Products Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025

Cableproductos De Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Productos Magneticos de Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenco de Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith/Inteq, Inc.
13860 Redskin Drive
Herndon, Virginia 22071

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: ZE

Number of Employees:

1989	32,000	1986	37,000
1988	36,000	1985	33,000
1987	35,000		

Plant Footage:

1989	8,200,000 sq. ft.	1987	N.A.
1988	8,400,000	1986	8,300,000

N.A. - Not Available.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 1,548,900	$ (68,400)
1988	1,401,000	11,700
1987	1,386,800	(19,100)
1986	1,417,000	(10,000)
1985	1,322,300	(7,700)

	No. of Com. Shares	Earn. per Share †
1989	26,723,908	$ —
1988	26,708,475	0.45
1987	25,920,280	—
1986	23,345,227	—
1985	23,130,291	—

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1989	1988
Consumer electronics	$ 1,288,000	$ 1,186,200
Components	260,900	214,800
Total	$ 1,548,900	$ 1,401,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 398,200,000	$ 14.89
1988	465,700,000	17.44
1987	440,700,000	17.00
1986	403,800,000	17.30
1985	437,200,000	18.90

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,548,900	$ 1,401,000
Cost of sales	1,409,000	1,245,200
Expenses	155,300	168,100
Other income	(2,700)	(1,100)
Gain on sale of prop.	(1,100)	(6,600)
Interest expense	6,000	6,500
Interest income	(800)	(900)
Loss bef. taxes	$ (16,800)	$ (10,200)
Income taxes	200	800
Loss-discont. oper.	$ (17,000)	$ (11,000)
Inc. (loss)-discont. oper.	(51,400)	22,700
Net Income (Loss)	$ (68,400)	$ 11,700

* Included in Costs and Expenses, Depreciation: $40,500,000 in 1989 and $38,900,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 175,700	$ 26,300
Receiv., net	240,000	211,000
*Inventories	275,000	249,300
Other curr. assets	5,300	7,000
Net assets-discont. oper.	—	411,700
Current Assets	$ 696,000	$ 905,300
#Fixed assets	217,000	223,500
Other assets	5,300	5,300
Net assets-discont. oper.	—	31,100
Total Assets	$ 918,300	$ 1,165,200

Liabilities
(000's)

Short-term debt	$ —	$ 100,000
Long-term debt, curr.	38,900	6,900
Accts. payable	147,200	116,100
Accrued payroll	41,400	36,600
Accrued prod. warranties	24,700	25,200
Co-op adv. & merch. prog.	22,600	29,400
Income taxes payable	19,400	22,800
Other accruals	75,000	53,900
Curr. Liabilities	$ 369,200	$ 390,900
Long-term debt	150,900	308,600
+ Common stock	26,700	26,700
Add. paid-in capital	146,800	145,300
Retained earnings	225,300	293,700
Treasury stock	(600)	—
Total Liabilities & Shareholders' Equity	$ 918,300	$ 1,165,200

* At lower of cost (majority at FIFO; remainder at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Net Income to Equity	—	2.33
Sales to Inventories	5.63	5.62
Debt to Equity	0.48	0.89
Working Capital	$ 326,800,000	$ 514,400,000
Current Ratio	1.89	2.32
Shareholders' Equity	$ 398,200,000	$ 465,700,000

Zentec Corporation

2400 Walsh Avenue
Santa Clara, California 95051-1374
(408) 727-7662

Officers: Richard Calfee, chairman; James L. Siehl, president & chief exec. officer; Zoran Simic, v.p.-operations; Jeffrey B. Cunningham, v.p.-finance, secretary & chief financial officer; Edmund G. McCurtain, v.p.-sales & marketing; Anthony P. Gibbonn, v.p.-international.

Directors: Richard Calfee, chairman; Norman H. Moore, Fred Patton, Ralph Gabai, Mark Burka, James L. Siehl, David C. Seidman.

Areas of Work: Designs, manufactures and markets customized intelligent terminal products which are used in a variety of information processing applications.

Subsidiary:

Zentec Ltd.
Orchard House
Connaught Road
Brookwood, Surrey GU24OAT England

Acquisition:

Datamaxx USA Corporation
3044 Tharpe Street
Tallahassee, Florida 32303
(904) 224-4213

Engaged in the software aspect of computer terminal manufacture.

Transfer Agent(s):

Bank of America
National Trust & Savings Association
Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ZENT (NASDAQ)

Sales & Earnings

	Net Sales +	Net Income †
1988	$ 14,432,000	$ (7,204,000)
1987	28,937,000	620,000
1986	27,353,000	$ 3,434,000
1985	17,390,000	(4,880,000)
1984	24,005,000	354,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1988	3,536,000	$ —
1987	5,143,000	0.12
1986	3,729,000	0.92
1985	3,444,000	—
1984	3,435,000	0.10

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $140,000 ($0.02 per share) in 1987, $1,607,000 ($0.43 per share) in 1986 and $127,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 568,000	$ 0.16
1987	8,112,000	1.58
1986	7,685,000	2.06
1985	4,222,000	1.23
1984	9,073,000	2.64

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	$ 14,432	$ 28,937
Cost of sales	17,227	23,817
Expenses	4,490	4,411
Product develop.	1,251	1,070
Other income	(1,332)	(781)
Income (loss) bef. taxes	$ (7,204)	$ 420
Income taxes	—	180
Net Income (Loss)	$ (7,204)	$ 240
Extraord. gain	—	140
Cum. effect of change in accntng. meth.	—	240
Net Income (Loss) & extraord. gain	$ (7,204)	$ 620

* Included in Costs and Expenses, Depreciation and Amortization: $389,000 in 1988 and $414,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	$ 2,846	$ 5,612
Accts. receiv., net	1,856	4,579
*Inventories	4,764	7,697
Other curr. assets	326	224
Current Assets	$ 9,792	$ 18,112
#Fixed assets	884	1,070
Other assets	163	92
Total Assets	$ 10,839	$ 19,274

Liabilities
(000's)

	1988	1987
Cap. lease oblig., curr.	$ 113	$ 94
Accts. payable	733	1,548
Accrued compensation	478	551
Other accruals	1,170	1,069
Income taxes	—	40
Acq. rel. liability	400	—
Curr. Liabilities	$ 2,894	$ 3,302
Cap. lease oblig.	114	208
Value of net assets acq. in exc. of cost	1,160	1,605
Deferred inc. taxes	212	212
Redeem. preferred stock	5,891	5,835
+Common stock	13,316	13,298
Accumulated deficit	(12,748)	(5,186)
Total Liabilities & Shareholders' Equity	$ 10,839	$ 19,274

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.45
%Net Income to Sales	—	0.83
%Net Income to Equity	—	2.96
Sales to Inventories	3.03	3.76
Debt to Equity	0.40	0.04
Working Capital	$ 6,898,000	$ 14,810,000
Current Ratio	3.38	5.49
Shareholders' Equity	$ 568,000	$ 8,112,000

Zero Corporation

444 South Flower Street
Suite 2100
Los Angeles, California 90071-2922
(213) 629-7000
FAX: (213) 629-2366

Officers: John B. Gilbert, chairman of the board; Howard W. Hill, vice chairman; Wilford D. Godbold, Jr., president & chief executive officer; James F. Hermanson, vice president; Ronald L. Hess, vice president; Robert H. Borchert, asst. secretary; George A. Daniels, v.p., chief financial officer & secretary.

Directors: John B. Gilbert, chairman; Howard W. Hill, Roger L. Putnam, Jr., Clinton G. Gerlach, Robert C. Sherburne, Wilford D. Godbold, Jr., Bernard B. Heiler, Whitney A. McFarlin.

Areas of Work: Engaged in the design, manufacture and sale of metal containers, cabinets, instrument cases and other packaging for the electronics and data processing industries. Also manufactures and sells proprietary plastic and metal components and assemblies used in the electronics and other industries and devices for the cooling of electronic equipment as well as baggage/cargo enclosures and accessories for the airline industry. The company also manufactures a line of aluminum luggage and camera cases under the Zero Halliburton and Anvil brand names.

Divisions and Subsidiaries:

Zero-West Division
777 Front Street
Burbank, California 91503
(818) 846-4191

Zero-East Division
288 Main Street
Monson, Massachusetts 01057
(413) 267-5561

Scanbe/Electronic Solutions
6790 Flanders Drive
San Diego, California 92121

Manufactures both standard and custom card cages, backplanes, tabletop enclosures, memory boards and accessories for the electronic marketplace.

Anvil Cases Inc.
15650 Salt Lake Ave.
City of Industry, California 91331

Manufactures carrying and transit cases.

Air Cargo Equipment Corporation
17923 So. Santa Fe Avenue
Rancho Dominguez, California 90220

Manufactures aluminum, fiberglas and plastic airborne cargo and baggage enclosures.

McLean Engineering
70 Washington Road
Princeton Junction, New Jersey 08550

Manufactures blowers and fans for cooling electronic units.

McLean Midwest
4000 83rd Avenue North
Brooklyn Park, Minnesota 55443

Manufactures air conditioners and heat exchangers for electronic equipment.

Samuel Groves & Co., Ltd.
Norton Street
Hockley, Birmingham B185RQ England

Manufactures deep drawn food service containers and accessories.

Zero-Halliburton
12224 Montague Street
Pacoima, California 91331

Manufactures luggage and camera cases.

Acquisition:

Nielsen Hardware

Manufactures handles, latches, hinges and other hardware for the case market.

Zero Corporation

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 60228, Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): New York, Pacific

Ticker Symbol: ZRO

Number of Employees:

1989 .... 2,050 1986 1,736
1988 .... 1,639 1985 1,689
1987 1,680

Plant Footage:

1989 ...... 1,572,000 sq. ft. 1986 1,372,000
1988 ...... 1,285,000 1985 1,333,000
1987 1,277,000

Sales & Earnings

	Net Sales †	Net Income
1989	$ 170,941,000	$ 16,063,000
1988	139,073,000	13,290,000
1987	125,699,000	11,602,000
1986	123,253,000	12,777,000
1985	117,186,000	11,812,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	12,577,194	$ 1.28
1988	12,556,469	1.06
1987	12,497,314	0.93
1986	12,418,116	1.03
1985	12,387,047	0.95

† Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1989	1988
Specialized enclosures	$ 107,432,000	$ 84,844,000
Enclosure accessories	45,099,000	39,058,000
Other	18,410,000	15,171,000
Total	$ 170,941,000	$ 139,073,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.42	—	—
1988	0.36	—	
1987	0.306	—	—
1986	0.272	—	5-for-4
1985	0.244	—	5-for-4

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 104,707,000	$ 8.33
1988	93,685,000	7.48
1987	83,123,000	6.66
1986	73,935,000	6.00
1985	63,535,000	5.18

‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended March 31	1989	1988
Net sales	$ 170,941	$ 139,073
Interest income	2,167	1,763
Other income	363	897
Total income	$ 173,471	$ 141,733
Cost of sales	106,077	85,060
Expenses	34,977	28,164
Depreciation & amortization	4,342	4,260
Interest expense	1,824	2,029
Income before taxes	$ 26,251	$ 22,220
Income taxes	10,188	8,930
Net Income	$ 16,063	$ 13,290

Assets
(000's)

As of March 31	1989	1988
Cash & cash equiv.	$ 14,831	$ 24,687
Short-term invest.	9,978	19,355
Receiv., net	29,052	22,700
*Inventories	30,106	18,226
Other curr. assets	4,592	3,276
Current Assets	$ 88,559	$ 88,244
#Fixed assets	23,403	21,566
Other assets	5,852	5,046
Costs in exc. of assets acq.	34,332	17,928
Total Assets	$ 152,146	$ 132,784

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 13,589	$ 5,229
Accts. payable	4,976	3,113
Inc. taxes payable	1,769	1,239
Accrued taxes	2,246	1,971
Accrued payroll	7,066	5,912
Accrued workers' comp.	1,409	1,213
Other accruals	4,813	2,500
Curr. Liabilities	$ 35,868	$ 21,177
Long-term debt & cap. lease oblig.	4,922	10,954
Other liabilities	6,649	6,968
+Common stock	126	125
Add. paid-in capital	24,663	23,667
Retained earnings	79,570	69,022
For. curr. trans. adj.	348	871
Total Liabilities & Shareholders' Equity	$ 152,146	$ 132,784

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	15.36	15.98
%Net Income to Sales	9.40	9.56
%Net Income to Equity	15.34	14.19
Sales to Inventories	5.68	7.63
Debt to Equity	0.18	0.17
Working Capital	$ 52,691,000	$ 67,067,000
Current Ratio	2.47	4.17
Shareholders' Equity	$ 104,707,000	$ 93,685,000

Zygo Corporation

Laurel Brook Road
Middlefield, Connecticut 06455
(203) 347-8506
FAX: (203) 347-8372

Officers: Paul F. Forman, chairman of the board, chief exec. officer & treasurer; Richard T. Fedor, president & chief operating officer; Carl A. Zanoni, v.p.-engineering; Sol F. Laufer, v.p.-optics group; Thomas O. Hagerth, v.p.-marketing; I. Frederick Shotkin, secretary.

Directors: Paul F. Forman, chairman; Carl A. Zanoni, Takashi Kojima, Robert G. McKelvey, Richard T. Fedor.

Areas of Work: The company designs, develops, manufactures and markets high-performance, laser-based, non-contact electro-optical components to extremely precise tolerances both for sale and for use as key elements in its own products. The company's instruments and systems are used to enhance productivity and improve product quality in a variety of industrial, scientific, and aerospace applications. The company is a worldwide producer of general purpose laser interferometers, microprocessor-based interferometer data analyzers, and related accessories which measure optical elements and systems, and precision manufactured components. The company also produces laser telemetric systems, which use scanning laser beams and microprocessor-based signal processors to make precision dimensional measurements.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ZIGO (NASDAQ)

Number of Employees:

1989 .... 280 1986 355
1988 .... 300 1985 325
1987 320

Plant Footage:

1989 .... 100,000 sq.ft. 1986 100,000
1988 .... 100,000 1985 100,000
1987 100,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 23,843,000	$ (450,000)
1988	21,483,000	(969,000)
1987	20,214,000	(1,029,000)
1986	23,283,000	256,000
1985	21,597,000	1,008,000

	No. of Com. Shares #	Earn. per Share #
1989	2,461,000	$ —
1988	2,438,000	—
1987	2,415,000	—
1986	2,466,000	0.10
1985	2,461,000	0.41

(Loss)
Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988	1987	1986
Instruments & systems	82 %	81 %	80 %	86 %
Precision optical components	18	19	20	14
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 14,733,000	$ 5.99
1988	15,012,000	6.16
1987	15,704,000	6.50
1986	16,691,000	6.77
1985	16,421,000	6.67

‡ Based on the weighted average number of common shares outstanding.

Income Account*
(000's)

Year ended June 30	1989	1988
Net sales	$ 23,843	$ 21,483
Cost of sales	15,089	14,309
Expenses	9,151	8,356
Interest income	(313)	(69)
Interest expense	228	235
Other expense	91	120
Loss bef. taxes	$ (403)	$ (1,468)
Income taxes (credit)	47	(499)
Net Loss	$ (450)	$ (969)

* Included in Costs and Expenses, Depreciation and Amortization: $1,260,000 in 1989 and $1,181,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash	$ 1,133	$ 624
Accts. receiv, net	5,918	4,828
*Inventories	6,227	7,554
Prepaid expenses	105	174
Current Assets	$ 13,383	$ 13,180
#Fixed assets	6,116	6,606
Other assets	782	754
Total Assets	$ 20,281	$ 20,540

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 507	$ 444
Accts. payable	651	878
Cust. prog. pay.	212	218
Accrued payroll	882	875
Other accruals	1,254	966
Income taxes payable	8	8
Curr. Liabilities	$ 3,514	$ 3,389
Long-term debt	2,004	2,129
Other deferred liab.	30	10
+Common stock	253	253
Add. paid-in capital	9,877	9,896
Retained earnings	4,666	5,116
Restric. stock award comp.	(63)	(253)
Total Liabilities & Shareholders' Equity	$ 20,281	$ 20,540

* At lower of standard cost (which approx. actual cost on a FIFO basis) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1989	1988
Sales to Investories	3.83	2.84
Debt to Equity	0.17	0.17
Working Capital	$ 9,869,000	$ 9,791,000
Current Ratio	3.81	3.89
Shareholders' Equity	$ 14,733,000	$ 15,012,000

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